This document is important. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

We have applied to the Singapore Exchange Securities Trading Limited ("SGX-ST") for permission to deal in, and for quotation of, all the ordinary shares of S$0.08 each ("Shares") in the capital of Unified Communications Holdings Limited (the "Company") already issued (including the Vendor Shares as defined on page 9 of this Prospectus) and the new Shares (the "New Shares") which are the subject of this Invitation (as defined herein). Such permission will be granted when we have been admitted to the Official List of the SGX-ST. **The dealing and quotation of our Shares will be in Singapore dollars**. Acceptance of applications will be conditional upon the SGX-ST granting permission for dealing in and listing of and for quotation of all of our existing issued Shares (including the Vendor Shares) and the New Shares. Monies paid in respect of any application accepted will, in the event such permission is not granted, be returned to you at your own risk without any share of revenue or other benefit arising therefrom, and you will not have any claims against us, the Vendors or the Joint Lead Managers.

The SGX-ST assumes no responsibility for the correctness of any of the statements made or reports contained or opinions expressed in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our Shares (including the Vendor Shares) or the New Shares.

A copy of this Prospectus, together with a copy of the Application Forms, has been lodged with and registered by the Monetary Authority of Singapore (the "MAS"). The MAS assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the MAS does not imply that the Securities and Futures Act (Chapter 289) or any other legal or regulatory requirements have been complied with. The MAS has not in any way considered the merits of the existing issued Shares (including the Vendor Shares) and the New Shares, as the case may be, being offered, or in respect of which the Invitation is made, for investment.

No Shares or units of Shares shall be allotted or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus. Save as stated above, we have not lodged or registered this Prospectus in any other jurisdiction.

Investing in our Shares involves risks which are described in the "Risk Factors" section beginning on page 28 of this Prospectus. Potential investors are advised to read the section entitled "Risk Factors" and the rest of this Prospectus carefully and to seek professional advice if in doubt as to what action, if any, they should take.

PROSPECTUS DATED 10 FEBRUARY 2004
(Registered by the Monetary Authority of Singapore on 10 February 2004)

unified communications

UNIFIED COMMUNICATIONS HOLDINGS LIMITED
(Incorporated in the Republic of Singapore on 27 December 2002)

Invitation in respect of 73,500,000 ordinary shares of S$0.08 each comprising 38,000,000 New Shares and 35,500,000 Vendor Shares as follows:-

(1) 8,000,000 Offer Shares at S$0.28 for each Offer Share by way of public offer; and
(2) 65,500,000 Placement Shares by way of placement, comprising:-
    (i) 58,000,000 Placement Shares at S$0.28 for each Placement Share by way of Placement Share Application Forms; and
    (ii) 7,500,000 Internet Placement Shares at S$0.28 for each Internet Placement Share reserved for applications made through the IPO website www.ePublicOffer.com,

payable in full on application.

Joint Lead Managers

SBI E2-Capital

CLSA EMERGING MARKETS

Joint Lead Placement Agents and Underwriters

SBI E2-Capital Securities Pte Ltd **CLSA Singapore Pte Ltd**

Sub-Placement Agent

The Bank of East Asia, Limited

Corporate Profile

- Started in 1998 by a team of experienced telecommunications professionals, we are an award-winning provider of telecommunications products and customised solutions.
- Over the last five years, we have established ourselves as one of the few players in the Asian markets we compete in, with capabilities to provide telecommunications products and customised solutions for the region's emerging telecommunications industry ("Proprietary Solutions"). We also distribute third party telecommunications products and components supplied by industry leaders such as Intel, Quintum and Advantech.
- Based on our proprietary platforms - UniLink and MExLink - which comprise third party software and/or hardware and proprietary software developed by our in-house engineers, we aim to strengthen our customers' competitive edge by assisting them to:
  - Increase revenue by enabling them to offer new or enhanced products and services beyond basic telephony to their subscribers; and
  - Take advantage of cost benefits by enhancing their network and product efficiency, availability and reliability.
- Our Proprietary Solutions can be categorised into three main product groups - Voice-related Products, Mobile Data Products and Interactive Services.
- Our two software and system development centres are located in Malaysia - Kuala Lumpur and the Multimedia Super Corridor ("MSC") in Cyberjaya.
- Supported by our network of 4 offices in Singapore, Malaysia, Philippines and Hong Kong as well as service support arrangements in China (Beijing and Shenzhen), Indonesia (Jakarta), Pakistan (Karachi) and the USA (Los Angeles), our customer base spans the ASEAN region, Greater China, West Asia, Indochina, the Middle East and the USA.
- Our customers include well-established telecommunications operators ("telcos"), service providers ("SPs") and enterprises. These include the following:

Singapore
SingTel; StarHub; Civil Aviation Authority of Singapore

Malaysia
DiGi Telecommunications; Telekom Malaysia; Maxis

The Philippines
PLDT Global; Smart Communications

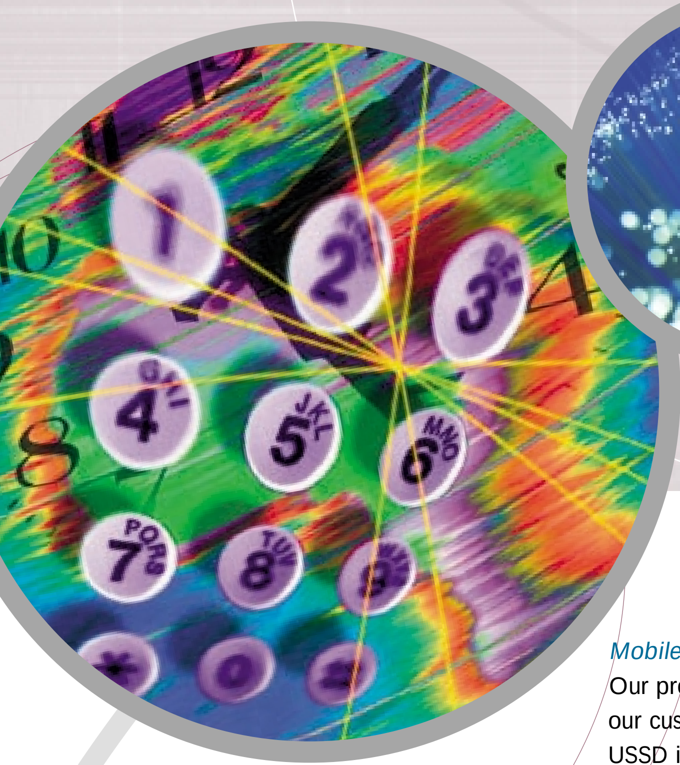
Others
KG Telecom (Taiwan); China Telecom (PRC); Saudi Telecom (Saudi Arabia); Global Telecom (Pakistan)

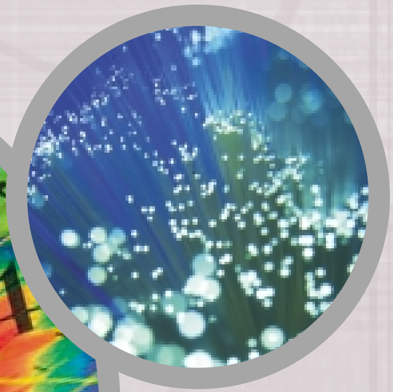
Our Proprietary Solutions Business

Voice-related Products

Our products and solutions based on our proprietary UniLink platform, which can be integrated into the existing telecommunications network infrastructure, enable our customers to deploy new and enhanced voice communication services for fixed-line, mobile and Voice over Internet Protocol ("VoIP") users.

Our Voice-related Products	Customers
Voice Switching Gateway	*PLDT Global (Philippines)*
Pre-paid/Post-paid Long Distance Calling	*Global Telecom (Pakistan)*
Pre-paid Mobile	*Smart Communications (Philippines)*
Mobile Callback	*Maxis (Malaysia)*
Personalised Ring Back Tone	*KG Telecommunications (Taiwan)*





Mobile Data Products

Our products and solutions based on our proprietory MExLink platform enable our customers to deliver mobile data applications such as MMS, SMS, and USSD involving technologies such as GSM, GPRS and 3G.

Our Mobile Data Products	Customers
SMS Centre	*StarHub (Singapore)*
Welcome SMS	*Digital Stream Technology Communications (Brunei)*
USSD Gateway	*Advanced Info Service (Thailand)*
SMS Gateway	*Radius-Ed (Malaysia)*

Interactive Services

We also create dial-in applications for our customers to enable users to access information on demand through a variety of media, including speech recognition, SMS and touch tone.

Our Dial-in Applications	Customers
Voice-activated flight information retrieval system	*Civil Aviation Authority of Singapore*
Dial-in information system	*Tribal Drum Communications (Brunei)*
Interactive SMS games for product promotion	*MediaCliq (Malaysia)*

Competitive Strengths

Proprietary Technology

- Allows for more competitive pricing.
- Ability to exploit and enhance the capabilities of our products and customised solutions more effectively.

Early mover advantage

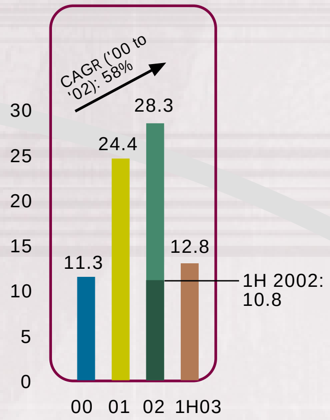
- Established track record in penetrating telecommunications markets in the Asia Pacific region that are in the early stages of development.

Established relationships with key market participants and industry leaders enable us to:

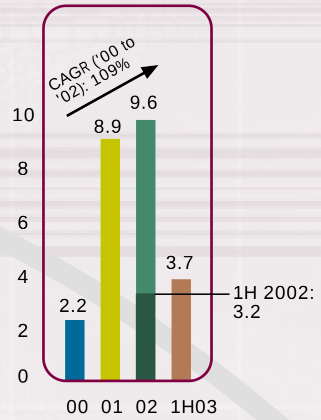
- Maintain awareness of rapidly-evolving market trends.
- Acquire first-hand knowledge of current and emerging technologies and solutions.
- Act as a gateway for less established players to market their technologies to blue-chip customer base.

Financial Highlights Financial year ended 31 December

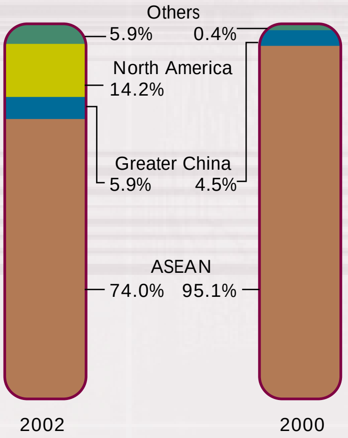
Sales (S$million)



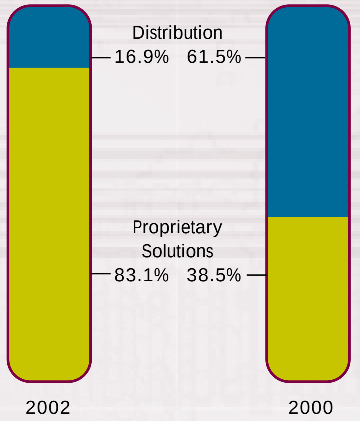
PBT (S$million)



Sales by Geographical Regions



Sales by Business Activities



Lower operating cost base as compared to our principal competitors in Europe and the USA

- Lower manpower costs with 70% of our staff based in lower cost countries such as Malaysia and the Philippines.
- Tax benefits and flexibility to employ unlimited number of lower cost foreign "knowledge" workers due to our MSC status.

Experienced and market-oriented management team

- Management has between 8-20 years of experience each in the telecommunications and IT sectors in the Asia-Pacific region with strong local domain knowledge.

Growth Prospects

- Advances in mobile technologies will increase demand from telcos and SPs to introduce innovative mobile applications.
- Deregulation of certain telecommunications markets has led to an increase in the number of market players, resulting in greater competition and demand for innovative products and services, which presents greater opportunities for us to market our products and customised solutions.
- The convergence of voice and data technology will give rise to requirements for new applications.

Business Strategy

- Focus on mobile technologies by developing more mobile data products and customised solutions based on USSD, GPRS and MMS applications.
- Increase recurring revenue streams through the implementation of revenue sharing programmes with our customers, and by offering them outsourcing options such as Build-Operate-Own and Build-Operate-Transfer programmes.
- Penetrate new and relatively less developed telecommunications markets such as Indochina, Greater China and West Asia / Middle East.

Awards and Accolades

- Awarded the MSC status by the Multimedia Development Corporation in Malaysia in December 2000.
- Ranked 9th in Enterprise 50 Awards and named as a Singapore SME 500 company in November 2002.
- Ranked 1st in Golden Bull Award for being the most outstanding SME in Malaysia in May 2003.
- Ranked 45th amongst "Deloitte Touche Tohmatsu Asia Pacific Technology Fast 500" in December 2003.

MSC-Status Company

Enterprise 50 2002 Celebrating Singapore's Enterprising Spirit

Top 100 Outstanding SMEs 1st PRIZE WINNER

FAST 500

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Dato' Ahmad Sebi Bakar *(Non-executive Chairman)* Wong Tze Leng *(Chief Executive Officer)* Lee Su Nie *(Non-executive Director)* Chuah Seong Phaik *(Independent Director)* Phuah Peng Hock *(Independent Director)*
COMPANY SECRETARIES	:	Foo Soon Soo, FCIS, CPA, LLB (Hons) Lathika Devi Amma d/o K R Pillay, ACIS
REGISTERED OFFICE AND BUSINESS ADDRESS	:	390 Havelock Road #04-06 King's Centre Singapore 169662
SHARE REGISTRAR AND SHARE TRANSFER AGENT	:	Lim Associates (Pte) Ltd 10 Collyer Quay #19-08 Ocean Building Singapore 049315
COMPANY REGISTRATION NUMBER	:	200211129W
JOINT LEAD MANAGERS	:	SBI E2-Capital Pte Ltd 5 Shenton Way #09-07 UIC Building Singapore 068808 CLSA Singapore Pte Ltd 9 Raffles Place #19-20/21 Republic Plaza II Singapore 048619
JOINT LEAD PLACEMENT AGENTS AND UNDERWRITERS	:	SBI E2-Capital Securities Pte Ltd 5 Shenton Way #09-08 UIC Building Singapore 068808 CLSA Singapore Pte Ltd 9 Raffles Place #19-20/21 Republic Plaza II Singapore 048619
SUB-PLACEMENT AGENT	:	The Bank of East Asia, Limited 137 Market Street BEA Building Singapore 048943
REPORTING AUDITORS	:	PricewaterhouseCoopers Certified Public Accountants 8 Cross Street #17-00 PWC Building Singapore 048424
SOLICITORS TO THE INVITATION	:	Rajah & Tann 4 Battery Road #26-01 Bank of China Building Singapore 049908

LEGAL ADVISERS TO THE COMPANY AS TO MALAYSIAN LAW	:	Raslan Loong SERLAH Level 3A Menara John Hancock 6 Jalan Gelenggang Damansara Heights 50490 Kuala Lumpur Malaysia
LEGAL ADVISERS TO THE JOINT LEAD MANAGERS AND THE JOINT LEAD PLACEMENT AGENTS AND UNDERWRITERS AS TO SINGAPORE LAW	:	Wong Partnership 80 Raffles Place #58-01 UOB Plaza 1 Singapore 048624
PRINCIPAL BANKERS	:	DBS Bank Ltd 6 Shenton Way DBS Building Tower One Singapore 068809 Bumiputra-Commerce Bank Berhad 6 Jalan Tun Perak 50050 Kuala Lumpur Malaysia
RECEIVING BANKER	:	The Bank of East Asia, Limited 137 Market Street BEA Building Singapore 048943
VENDORS	:	Primeace Holdings Sdn Bhd B-12-15 Block B Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur Malaysia Worldwide Matrix Sdn Bhd Level 3A (Tower Block) Menara Milenium No. 8 Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Malaysia

For the purpose of this Prospectus and the accompanying Application Forms and, in relation to the Electronic Applications, the instructions appearing on the relevant screens of the ATMs of the Participating Banks, the relevant pages of the IB websites of the relevant Participating Banks or the relevant pages of the IPO website of the IPO Website Operator, the following definitions have, where appropriate, been used:–

Group Companies

"Attrix Malaysia"	:	AttrixTech Sdn Bhd
"Attrix Singapore"	:	Attrix Technology Pte Ltd
"Group" or "Proforma Group"	:	The Company and its subsidiaries following the completion of the Restructuring Exercise, treated for the purposes of this Prospectus as if the Group structure had been in existence since 1 January 2000 on the basis described in the Compilation Report which is set out as Appendix A to this Prospectus
"Unified Communications" or the "Company"	:	Unified Communications Holdings Limited
"Unified Hong Kong"	:	Unified Communications Limited, our subsidiary incorporated in Hong Kong
"Unified Malaysia"	:	Unified Communications Sdn Bhd
"Unified Singapore"	:	Unified Communications Pte Ltd

Other Companies

"Advance Synergy"	:	Advance Synergy Berhad
"Advanced Info Service"	:	Advanced Info Service Public Company Limited
"Advantech"	:	Advantech Co. Singapore Pte Ltd
"CDP" or the "Depository"	:	The Central Depository (Pte) Limited
"China Telecom"	:	China Telecommunications Corporation
"CLSA"	:	CLSA Singapore Pte Ltd
"Dialogic"	:	Dialogic S.E.A Pte Ltd
"DiGi Telecommunications"	:	DiGi Telecommunications Sdn Bhd
"Excel Switching Corp"	:	Excel Switching Corporation (formerly part of the Lucent group of companies)
"Global Telecom"	:	Global Telecom Limited
"Hewlett-Packard Singapore"	:	Hewlett-Packard Singapore (Sales) Pte. Ltd.
"Inaccess Systems"	:	Inaccess Systems Sdn Bhd

"Intel"	:	Intel Semiconductor Limited
"Linear Corporation"	:	Linear Corporation Berhad
"Lucent"	:	Lucent Technologies, Inc.
"Maxis"	:	Maxis Mobile Sdn Bhd
"NCR Corporation"	:	NCR Corporation (Pakistan)
"PLDT"	:	PLDT Global Corporation
"Primeace Holdings"	:	Primeace Holdings Sdn Bhd, a wholly-owned subsidiary of Linear Corporation
"Quintum Technologies"	:	Quintum Technologies, Inc.
"Radius-Ed"	:	Radius-Ed Sdn Bhd
"SBI E2-Capital"	:	SBI E2-Capital Pte Ltd
"SCCS"	:	Securities Clearing & Computer Services (Pte) Ltd
"SGX-ST" or the "Singapore Exchange"	:	Singapore Exchange Securities Trading Limited
"Singapore Telecommunications"	:	Singapore Telecommunications Limited
"Smart Communications"	:	Smart Communications, Inc.
"Telekom Applied Business"	:	Telekom Applied Business Sdn Bhd
"Telekom Malaysia"	:	Telekom Malaysia Berhad
"Vocom International Telecommunications"	:	Vocom International Telecommunications, Inc.
"Worldwide Matrix"	:	Worldwide Matrix Sdn Bhd, a wholly-owned subsidiary of Advance Synergy
"Zahid Industries"	:	Zahid Industries and Investment Company Limited

General

"Application Forms"	:	The official printed application forms to be used for the purpose of the Invitation and which form part of this Prospectus
"Application List"	:	The list of applications for subscription and/or purchase of the Invitation Shares
"Articles of Association"	:	The Articles of Association of our Company, extracts of which are set out in Appendix E to this Prospectus
"ASEAN"	:	The Association of Southeast Asian Nations

"ATM"	:	Automated teller machine of a Participating Bank
"ATM Applications"	:	Applications for Offer Shares made through the ATMs of any of the Participating Banks in accordance with the terms and conditions of this Prospectus
"Audit Committee"	:	The audit committee of our Company, further details of which are set out in the section entitled "Audit Committee" on page 112 of this Prospectus
"Board"	:	The board of directors of our Company
"CEO"	:	Chief Executive Officer
"China" or the "PRC"	:	The People's Republic of China, including the Special Administrative Regions of Hong Kong and Macau for the purposes of this Prospectus and for geographical reference only
"Compilation Report"	:	The Compilation Report On Examination Of Proforma Financial Statements Of Our Group For The Financial Years Ended 31 December 2000, 2001 and 2002 and On Examination Of Interim Proforma Financial Statements Of Our Group For The Six-Month Period Ended 30 June 2003 set out in Appendix A to this Prospectus
"Companies Act" or the "Act"	:	The Companies Act (Chapter 50) of Singapore
"Controlling Shareholder"	:	A person who holds directly or indirectly 15% or more of the nominal amount of all voting Shares in our Company or a person who in fact exercises control over our Company
"CPF"	:	The Central Provident Fund of Singapore
"Directors"	:	The directors of our Company as at the date of this Prospectus
"ECA"	:	The Exchange Control Act, 1953 of Malaysia
"Electronic Applications"	:	ATM Applications, IB Applications or Internet Placement Applications
"EPF"	:	The Employees Provident Fund of Malaysia
"EPS"	:	Earnings per Share
"Executive Director"	:	The executive director of our Company as at the Latest Practicable Date, namely Wong Tze Leng
"Executive Officers"	:	The executive officers of our Company as at the Latest Practicable Date
"FIC"	:	Foreign Investment Committee of Malaysia

"FY"	:	Financial year ended or ending 31 December
"Greater China"	:	Refers to the PRC and the Republic of China (Taiwan) for the purposes of this Prospectus and for geographical reference only
"IB"	:	Internet banking
"IB Applications"	:	Applications for Offer Shares made through an IB website, in accordance with the terms and conditions of this Prospectus
"IB website"	:	An Internet banking website of a Participating Bank
"IDA"	:	The Infocomm Development Authority of Singapore
"Independent Directors"	:	The independent directors of our Company as at the date of this Prospectus, namely Chuah Seong Phaik and Phuah Peng Hock
"Indochina"	:	Refers to Cambodia, Laos and Vietnam for the purposes of this Prospectus and for geographical reference only
"Internet Placement" or "Internet Placement Tranche"	:	The placement of the Internet Placement Shares at the Invitation Price for applications through the IPO website pursuant to the Placement
"Internet Placement Applications"	:	Applications by Qualifying Users for the Internet Placement Shares through the IPO website, in accordance with the terms and conditions of this Prospectus
"Internet Placement Shares"	:	The 7,500,000 Placement Shares to be placed through the IPO website on a first-come-first served basis
"Investment Agreement"	:	Each of the respective investment agreements dated 4 August 2003 made between Primeace Holdings, and each of the Pre-IPO Investors and Wong Tze Leng
"Invitation"	:	The Invitation by our Company and the Vendors to the public to subscribe for and/or purchase our Invitation Shares at the Invitation Price, subject to and on the terms and conditions of this Prospectus
"Invitation Price"	:	S$0.28 for each Invitation Share
"Invitation Shares"	:	The 73,500,000 Shares which are the subject of this Invitation, comprising 38,000,000 New Shares and 35,500,000 Vendor Shares
"IPO website"	:	The Internet website of the IPO Website Operator, www.ePublicOffer.com
"IPO Website Operator"	:	SBI E2-Capital Securities Pte Ltd

"Joint Lead Managers"	:	SBI E2-Capital and CLSA
"Joint Lead Placement Agents and Underwriters" or "Joint Lead Placement Agents" or "Joint Lead Underwriters"	:	SBI E2-Capital Securities Pte Ltd and CLSA
"KLSE"	:	Kuala Lumpur Stock Exchange
"Latest Practicable Date"	:	15 December 2003, being the latest practicable date prior to the printing of this Prospectus
"Listing Date"	:	The date on which our Company is admitted to the Official List of the SGX-ST
"Management and Underwriting Agreement"	:	The management and underwriting agreement dated 10 February 2004 made between our Company, the Vendors, the Joint Lead Managers and the Joint Lead Underwriters for the management of the Invitation and the underwriting of the Invitation Shares
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"MAS" or the "Authority"	:	The Monetary Authority of Singapore
"MDC"	:	Multimedia Development Corporation
"MITI"	:	Ministry of International Trade and Industry, Malaysia
"MSC"	:	Multimedia Super Corridor, a corridor located in the Klang Valley in Malaysia, which has been designated by the Malaysian Government as a technology hub
"New Shares"	:	The 38,000,000 new Shares for which our Company invites applications for subscription subject to and on the terms and conditions set out in this Prospectus
"Nominating Committee"	:	The nominating committee of our Company, further details of which are set out in the section entitled "Nominating Committee" on page 113 of this Prospectus
"NTA"	:	Net tangible assets
"Offer"	:	The offer by our Company and the Vendors to the public in Singapore for subscription and/or purchase of the Offer Shares at the Invitation Price subject to and on the terms and conditions of this Prospectus
"Offer Shares"	:	The 8,000,000 Invitation Shares which are the subject of the Offer

"Participating Banks"	:	DBS Bank Ltd (including POSB), Oversea-Chinese Banking Corporation Limited, and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
"PER"	:	Price to earnings ratio
"Placement"	:	The placement by the Joint Lead Placement Agents on behalf of our Company and the Vendors of the Placement Shares for subscription and/or purchase at the Invitation Price, subject to and on the terms and conditions of this Prospectus
"Placement Agreement"	:	The placement agreement dated 10 February 2004 entered into between our Company, the Vendors and the Joint Lead Placement Agents, for the placement of the Placement Shares
"Placement Shares"	:	The 65,500,000 Invitation Shares which are the subject of the Placement
"Pre-IPO Investment"	:	The acquisition by the Pre-IPO Investors and Wong Tze Leng pursuant to their respective Investment Agreements of 40,715,407 Shares and 4,955,679 Shares respectively from Primeace Holdings at a 10% discount to the Invitation Price
"Pre-IPO Investors"	:	Collectively, Winage Limited, WL Asia Capital Absolute Returns Fund, China Matrix Group Limited, Tan Boon Huan Peter, Double Assets Investments Limited, Avia Growth Opportunities Limited, Panweld Trading Pte Ltd and Seng Soon Hiang, further details of whom are set out in the section entitled "Shareholders" on pages 92 and 93 of this Prospectus
"Prospectus"	:	This Prospectus dated 10 February 2004 issued by our Company in respect of the Invitation
"Qualifying User" or "Qualifying Internet Applicant"	:	Any member of the public (being an individual) in Singapore who has registered for and holds a valid membership account with the IPO website
"Receiving Banker"	:	The Bank of East Asia, Limited
"Remuneration Committee"	:	The remuneration committee of our Company, further details of which are set out in the section entitled "Remuneration Committee" on page 113 of this Prospectus
"Restructuring Exercise"	:	The restructuring exercise of the Group implemented in connection with the Invitation, more fully described on page 90 of this Prospectus

"Securities Account"	:	A securities account maintained by a Depositor with the CDP but does not include a securities sub-account
"Securities and Futures Act" or the "SFA"	:	The Securities and Futures Act (Chapter 289) of Singapore
"Securities and Futures Regulations" or the "SFR"	:	The Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2002
"Service Agreement"	:	The service agreement dated 19 December 2003 made between Wong Tze Leng and our Company
"Shareholders"	:	The shareholders of our Company from time to time
"Shares"	:	Ordinary shares of S$0.08 each in the capital of our Company
"Share Consolidation"	:	The consolidation of every two ordinary shares of S$1.00 each in the authorised share capital of our Company into one ordinary share of S$2.00 each, as described in the section entitled "Share Capital" on pages 90 and 91 of this Prospectus
"Share Split"	:	The sub-division of each ordinary share of S$2.00 each in the authorised share capital of our Company into 25 ordinary shares of S$0.08 each, as described in the section entitled "Share Capital" on pages 90 and 91 of this Prospectus
"Share Transfer Agreement"	:	The share transfer agreement dated 12 January 2004 made between our Company and the shareholders of Unified Malaysia and Unified Singapore
"SME"	:	Small and medium enterprise
"Substantial Shareholder"	:	A person who holds directly or indirectly 5% or more of the total issued share capital of our Company
"US"	:	The United States of America
"Vendors"	:	Primeace Holdings and Worldwide Matrix
"Vendor Shares"	:	The 35,500,000 Shares for which the Vendors invite applicants to purchase subject to and on the terms and conditions of this Prospectus
"West Asia"	:	Refers to India, Sri Lanka, Pakistan and Bangladesh for the purposes of this Prospectus and for geographical reference only
"1H2002"	:	The six-month period ended 30 June 2002
"1H2003"	:	The six-month period ended 30 June 2003

Currencies, Units and Others

"Baht"	:	Thai Baht, the lawful currency of Thailand
"Php"	:	Philippine Peso, the lawful currency of the Philippines
"RM"	:	Malaysian Ringgit, the lawful currency of Malaysia
"S$" and "cents"	:	Singapore dollars and cents respectively, the lawful currency of Singapore
"sq. ft."	:	Square feet
"US$" or "USD"	:	United States Dollars, the lawful currency of the US
"%"	:	Percentage or per centum

The terms *"Depositor"*, *"Depository Agent"* and *"Depository Register"* shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Unless otherwise stated, any reference in this Prospectus, the Application Forms and the Electronic Applications to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or any statutory modification thereof and used in this Prospectus, the Application Forms and or the Electronic Applications shall have the meaning ascribed to it under the Companies Act, the SFA or any statutory modification thereof, as the case may be.

Any reference in this Prospectus, the Application Forms and the Electronic Applications to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time of day in this Prospectus, the Application Forms and the Electronic Applications shall be a reference to Singapore time unless otherwise stated.

Any reference to *"Group"*, *"we"*, *"us"* and *"our"* or other grammatical variations thereof in this Prospectus is a reference to, unless otherwise stated, our Company and our subsidiaries as the context requires.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary provides an explanation on some of the technical terms and abbreviations used in this Prospectus. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms.

"architecture"	:	The functional design of a network, computer or telecommunications system. The architecture usually includes hardware and software components and indicates how these components are connected to, operate, and interact with each other
"ARPU"	:	Acronym for the Average Revenue Per User generated by a telco, SP or enterprise (as the case may be), computed by dividing the operating revenue from telecommunications services for the period by the average number of active customers for that period
"code"	:	A generic term that refers to the programme generated using programming languages. Specific code is written for every aspect and functionality of an application. Codes are to software what words are to a book
"enterprise"	:	A term used to refer to non-telcos and non-SPs that purchase telecommunications products or services
"GPRS"	:	Acronym for General Packet Radio Service, an enhanced second generation digital wireless technology. GPRS transmits and receives packets of data in bursts instead of using a continuous open radio channel. It permits very efficient use of the radio spectrum and users are charged by the amount of data transferred, rather than by their time online
"GSM"	:	Acronym for Global System for Mobile Communications. GSM is a standard for digital (as opposed to analog) cellular telephone systems, which specifies the infrastructure for a digital cellular service. The GSM standard is currently used in the 900 MHz and 1800 MHz bands in most countries
"IDD"	:	Acronym for International Direct Dialing
"Internet Protocol" or "IP"	:	A standard protocol for the Internet for addressing and routing packets through data networks
"International Simple Resale" or "ISR"	:	A business whereby a SP trades on international voice traffic and derives profit from the spread between the buying and selling price of such traffic
"ITU-T"	:	Acronym for International Telecommunications Union-Telecommunications Services Sector. The ITU-T is an agency of the United Nations that establishes standards and recommends regulations through technical and telecommunications studies. Effectively, this is an intergovernmental organisation through which public and private organisations develop telecommunications standards

"IVR"	:	Acronym for Interactive Voice Response. IVR is a process of automatically interacting with a caller through providing audio prompts to request information and store responses from the caller. The responses can be in the form of touch-tone key presses or voice responses. IVR systems allow individuals to access information in an organisation's computer database and to receive that information either verbally or using an ordinary touch-tone, without the intervention of a customer service personnel
"LAN"	:	Acronym for Local Area Network. A LAN is a network of computers, normally personal computers, connected together in close proximity to each other (for example, in an office setting) in order to share information and resources
"MMS"	:	Acronym for Multimedia Message Service, a means of transmitting graphics, video, audio and text over wireless networks
"packet"	:	A generic term for a bundle of data organised in a specific way for transmission. A packet consists of the data to be transmitted and certain control information
"pre-paid calling card"	:	A card (usually credit card-sized) issued by a telecommunications service provider that permits the card holder to initiate a phone call. Authentication information such as a personal identity number is stored in the card. Pre-paid calling cards are sold in various denominations. Once a card holder makes a phone call, the value of the card decreases according to the call charges charged by the SP
"protocol"	:	The set of rules governing the format and exchange of messages between telecommunications devices and equipment. Protocols are typically defined and released by a standardisation body such as the ITU-T
"scalable"	:	The ability of a system, whether hardware or software, to adapt to increased demands on the system or increased volume
"SMS"	:	Acronym for Short Message Service, a means of sending or receiving short alphanumeric messages to or from mobile telephones. SMS messages typically comprise up to 160 characters in a single message. Most mobile SPs provide SMS services
"SP"	:	Acronym for Service Provider. SPs are licensed service providers who provide particular services such as voice services, data services, content-based services, electronic commerce and other transmission services to end users
"SS7"	:	Acronym for Signaling System 7. Signaling System 7 is an international telecommunications standard that puts the information required to set up and manage telephone calls in a separate network rather than within the same network that the telephone call is made on. Using SS7, telephone calls can be set up more efficiently and with greater security

GLOSSARY OF TECHNICAL TERMS

"switch"	:	A mechanical, electrical or electronic device which opens or closes circuits, completes or breaks an electrical path or selects paths or circuits
"switching"	:	Connecting the calling party to the called party. This process may involve one or more physical switches
"telco"	:	A telecommunications company
"unified messaging"	:	A messaging application that converts, delivers, manages and stores different forms of messages. Unified messages may include voice, fax and regular text messages as objects in a single mailbox that a user can access via regular e-mail or by telephone. A user can open and play back voice messages, if their personal computers have multimedia capabilities and fax messages can be saved or printed
"USSD"	:	Acronym for Unstructured Supplementary Service Data, a GSM technology that allows a mobile phone to send messages to different parts of the GSM network. USSD is typically used as a means to implement value-added services in a mobile network
"VoIP"	:	Acronym for Voice Over Internet Protocol. VoIP is the real-time transmission of voice signals using Internet Protocol
"VoIP Gateways"	:	Equipment that transforms voice into IP packets that can be transported over an IP network
"3G"	:	Acronym for Third Generation. 3G is a term commonly used to describe the third generation of technology used in mobile cellular telecommunications systems, which use wideband digital radio technology (as opposed to first generation analog systems and second generation digital cellular systems)

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by us or our Directors, officers or employees acting on our behalf that are not statements of historical fact constitute ''forward-looking statements''. You can identify some of these forward-looking statements by terms such as ''expects'', ''believes'', ''plans'', ''intends'', ''estimates'', ''anticipates'', ''may'', ''will'', ''would'' and ''could'' or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements, including statements as to:–

— our revenue and profitability, prospects and future plans;

— expected growth in demand;

— other expected industry trends;

— anticipated completion and startup dates for expansion projects; and

— other matters discussed in this Prospectus regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:–

— changes in political, social and economic conditions and the regulatory environment in Singapore, Malaysia and other countries in which we conduct business;

— changes in currency exchange rates;

— our anticipated growth strategies and expected internal growth;

— changes in competitive conditions and our ability to compete under these conditions;

— changes in our future capital needs and the availability of financing and capital to fund these needs; and

— other factors beyond our control.

Please refer to the section entitled ''Risk Factors'' on pages 28 to 37 of this Prospectus for details of certain risk factors and uncertainties that may affect our business, operations and financial performance.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Prospectus, we advise you not to place undue reliance on those statements. Neither we nor any of the Vendors, the Joint Lead Managers, the Joint Lead Placement Agents and Underwriters or any other person are representing or warranting to you that our actual future results, performance or achievements will be as discussed in those statements.

Further, we, the Vendors, the Joint Lead Managers and the Joint Lead Placement Agents and Underwriters disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forwarding-looking statements to reflect future developments, events or circumstances. We are, however, required by Section 241 of the SFA to lodge a supplementary or replacement document in respect of future developments, events or circumstances that occur prior to the close of the Invitation and that are required to be disclosed pursuant to the law. We are also subject to the provisions of the Listing Manual of the SGX-ST regarding corporate disclosure upon our admission to the Official List of the SGX-ST.

The following information is qualified in its entirety by, and is subject to, the more detailed information and financial statements (including the notes thereto) appearing elsewhere in this Prospectus. Terms defined elsewhere in this Prospectus have the same meanings when used herein. Prospective investors should carefully consider the information presented in this Prospectus, particularly the matters set out in the section entitled ''Risk Factors'' on pages 28 to 37 of this Prospectus before buying our Shares.

BUSINESS

Our Group is a provider of telecommunications products and customised solutions that enable our customers to:–

(a) take advantage of cost benefits by enhancing their network and product efficiency, availability and reliability; and

(b) provide resources and capabilities for new products and services beyond basic telephony that enable our customers to gain and maintain a competitive edge.

Our business activities can be categorised into the following two segments, namely:–

(a) providing telecommunications products and customised solutions using our proprietary platforms, UniLink and MExLink, together with third party software and/or hardware to address specific communications requirements of our customers (''Proprietary Solutions''); and

(b) distribution of third party telecommunications products and components (''Distribution'').

Our core business is our Proprietary Solutions business which can be categorised into three main product groups, namely, voice-related products, mobile data products and interactive services. Our voice-related products are based on our proprietary platform, UniLink, which allows mobile and fixed-line telcos and SPs to enhance their network and product efficiency and deliver enhanced voice-based telecommunications switching services to their customers. In addition to our voice-related products, we offer a range of mobile data related products based on our proprietary platform, MExLink, which is specially developed to allow mobile telcos and SPs to deliver mobile data applications such as MMS, SMS and USSD, involving technologies such as GSM, GPRS and 3G. In addition to our voice-related and mobile data products, we build interactive dial-in applications for fixed-line and mobile telcos and SPs, and enterprises.

For further information on our technology and resources, please refer to the section entitled ''Technology and Resources'' on pages 77 and 78 of this Prospectus.

Our vision is to be a developer and key supplier of telecommunications products and customised solutions to telcos, SPs and enterprises in the Asia-Pacific region. Our goal is to assist our customers and business partners in creating, maintaining and increasing their competitive advantage via our products and solutions. For further information as to how we intend to fulfil this vision and take advantage of future opportunities, please refer to the section entitled ''Prospects, Business Strategy and Future Plans'' on pages 87 to 89 of this Prospectus.

We have set up service support arrangements to better serve our end customers in countries where we offer our products but have not established a subsidiary, branch office or representative office. The majority of these service support arrangements are made in conjunction with the resellers of our products in those countries. We currently have implemented these arrangements in Beijing and Shenzhen in China, Jakarta in Indonesia, Los Angeles in the US, and Karachi in Pakistan.

CUSTOMERS

Our customer base for our Proprietary Solutions business comprises telcos, SPs and enterprises in the ASEAN region, the Middle East, Greater China, the US, West Asia and Indochina. Our telco customers include Singapore Telecommunications and StarHub Mobile Pte Ltd in Singapore, Smart Communications and PLDT in the Philippines, Telekom Malaysia, Maxis and DiGi Telecommunications in Malaysia and Advanced Info Service in Thailand. Through sub-contracting arrangements, we have provided products and customised solutions to China Telecom and Saudi Telecommunications Company.

For our Distribution business, we have established distribution relationships with suppliers of computer telephony products, VoIP products and industrial computers, which we distribute to more than 150 customers.

COMPETITIVE STRENGTHS

We believe our competitive advantages are as follows:–

— We understand and tailor our products for customers in our core markets;

— Our cost base is generally lower than our principal competitors';

— We have established good business relationships with key market participants;

— We have established ourselves in telecommunications markets that are in the early stages of development; and

— We own the intellectual property rights to all in-house developed software which we supply as part of our products and customised solutions.

For further information, please refer to the section entitled ''Competitive Strengths'' on pages 84 to 86 of this Prospectus.

PROSPECTS, BUSINESS STRATEGY AND FUTURE PLANS

Our Directors are optimistic about our business prospects and intend to remain in our core businesses. We are of the opinion that we will continue to see strong growth due to the increasing demand for newer and more innovative telecommunications solutions in the near future for the following reasons:–

— We will have new opportunities to provide new mobile data solutions to our customers as a result of the emergence of new info-communications services and technologies and applications such as mobile broadband, MMS, GPRS and 3G. The emergence of these services and technologies will increase demand from telecommunications operators and SPs to introduce innovative mobile applications such as mobile entertainment, gaming and commerce to their customers;

— The deregulation of certain telecommunications markets in recent years presents increased opportunities for us to market and sell our products and customised solutions to our existing and new telcos and SP customers; and

— We believe the industry is experiencing a convergence of voice and data with the emergence of broadband and VoIP technologies that will provide us with further business opportunities. Such convergence will give rise to applications such as integrated audio conferencing with real-time data sharing capabilities, which we are able to provide.

Our business strategy and future plans include:–

— Expanding our product range, in particular to focus on mobile technologies;

— Seeking opportunities to secure recurring revenue streams; and

— Exploring and penetrating new and relatively undeveloped telecommunications markets.

CONTACT DETAILS

Our registered office and headquarters are located at 390 Havelock Road, #04-06 King's Centre, Singapore 169662. Our telephone number is (65) 6297 7100 and our facsimile number is (65) 6297 7200. Our Internet website is at http://www.unifiedcomms.com. **Information contained in our website does not constitute part of this Prospectus.**

Invitation Size	:	73,500,000 Invitation Shares, comprising 38,000,000 New Shares and 35,500,000 Vendor Shares. Our New Shares will, upon issue and allotment, rank *pari passu* in all respects with our existing issued Shares.
Invitation Price	:	S$0.28 for each Invitation Share.
The Invitation	:	The Invitation comprises an offering of:– 8,000,000 Offer Shares offered to members of the public in Singapore; and 65,500,000 Placement Shares (including 7,500,000 Internet Placement Shares), reserved for placement to members of the public in Singapore and institutional investors.
Purpose of our Invitation	:	The purpose of our Invitation is to secure admission of our Company to the Official List of the SGX-ST. Our Directors are of the view that the listing of our Company and the quotation of our Shares on the SGX-ST will enhance our public image locally and internationally and enable us to tap the capital markets to fund our expansion. It will also provide members of the public in Singapore, our staff and business associates of our Group with an opportunity to participate in the equity of our Company. In addition, the proceeds from the issue of New Shares will, *inter alia*, also provide us with additional working capital to finance our business expansion.
Listing Status	:	Our Shares will be quoted on the Main Board of the SGX-ST in Singapore dollars, subject to the admission of our Company to the Official List of the SGX-ST for permission to deal in, and for quotation of, all our Shares already issued (including the Vendor Shares) and our New Shares being granted by the SGX-ST.
Risk Factors	:	Investing in our Shares involves risks which are described in the section entitled ''Risk Factors'' on pages 28 to 37 of this Prospectus.

DETAILS OF THE INVITATION

LISTING ON THE SGX-ST

We have applied to the SGX-ST for permission to deal in, and for quotation of, all our Shares already issued (including the Vendor Shares) and our New Shares on the SGX-ST. Such permission will be granted when our Company has been admitted to the Official List of the SGX-ST. No Shares shall be allotted or allocated on the basis of the Prospectus later than six months after the date of registration of this Prospectus.

Acceptance of applications for our Invitation Shares will be conditional upon, *inter alia,* permission being granted by the SGX-ST to deal in and for quotation of, all our existing issued Shares (including the Vendor Shares) and our New Shares. If such permission is not granted for any reason, monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom and you will not have any claims against us, the Vendors or the Joint Lead Managers.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Prospectus. Admission to the Official List of SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our associated companies, our Shares (including the Vendor Shares) or our New Shares.

A copy of this Prospectus, together with a copy of the Application Forms, has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of our Shares (including the Vendor Shares) or our New Shares, as the case may be, being offered or in respect of which an invitation is made, for investment.

Where the Authority issues a stop order pursuant to Section 242 of the SFA and,

(a) in the case where our Invitation Shares have not been issued and/or sold to you, your application for our Invitation Shares pursuant to the Invitation shall be deemed to have been withdrawn and cancelled and our Company and the Vendors shall, within 14 days from the date of the stop order, pay you all monies you have paid on account of your application for our Invitation Shares; or

(b) in the case where our Invitation Shares have been issued and/or sold to you, the issue of our New Shares pursuant to the Invitation shall be deemed to be void and our Company shall, within 14 days from the date of the stop order, pay you all monies you have paid for our New Shares and the sale of the Vendor Shares pursuant to the Invitation shall be deemed void and our Company (on behalf of the Vendors) shall, if documents purporting to evidence title have been issued to you, within seven days from the date of the stop order, inform you to return such documents to our Company (on behalf of the Vendors) within 14 days from that date, and within seven days from the date of receipt of those documents (if applicable) or the date of the stop order, whichever is later, pay to you all monies you have paid for the Vendor Shares.

Monies paid in respect of your application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, and you will not have any claim against us, the Vendors or the Joint Lead Managers.

This Prospectus has been seen by our Directors and the Vendors and they collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Prospectus are fair and accurate in all material respects as at the Latest Practicable Date and there are no other material facts the omission of which would make any statement in this Prospectus misleading.

DETAILS OF THE INVITATION

No person has been or is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by our Company, the Vendors or the Joint Lead Managers. Neither the delivery of this Prospectus and the Application Forms nor the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of our Company or our Group or in any statements of fact or information contained in this Prospectus since the Latest Practicable Date. Where such changes occur, our Company will promptly make an announcement of the same to the SGX-ST and the public and, if required, lodge a supplementary or replacement document pursuant to Section 241 of the SFA and take immediate steps to comply with the requirements of Section 241 of the SFA. All applicants should take note of any such announcement and, upon the release of such announcement and/or documents, shall be deemed to have notice of such changes. Save as expressly stated in this Prospectus, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Company or our Group.

This Prospectus has been prepared solely for the purpose of the Invitation and may not be relied upon by any persons other than the applicants in connection with their application for our Invitation Shares or for any other purpose. This Prospectus does not constitute an offer, or solicitation of or invitation to subscribe for or to purchase, our Invitation Shares in any jurisdiction in which such offer or invitation or solicitation is unauthorised or unlawful nor does it constitute an offer or invitation or solicitation to any person to whom it is unlawful to make such an offer, solicitation or invitation.

Copies of this Prospectus and the Application Forms and envelopes may be obtained on request, subject to availability, during office hours from:–

SBI E2-Capital Securities Pte Ltd
5 Shenton Way
#09-08 UIC Building
Singapore 068808

CLSA Singapore Pte Ltd
9 Raffles Place
#19-20/21 Republic Plaza II
Singapore 048619

and from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST website (http://www.sgx.com), as well as the MAS website (http://www.mas.gov.sg).

The Application List will open at 10.00 a.m. on 17 February 2004 and will remain open until 12.00 noon on the same day or for such other period or periods as our Directors and the Vendors may, in consultation with the Joint Lead Managers, decide, subject to any limitation under all applicable laws. Where a supplementary document or replacement document has been lodged with the Authority, the Application List shall be kept open for at least another 14 days from the lodgment of the supplementary document or replacement document.

Where an applicant has notified our Company and the Vendors within 14 days from the date of lodgment of a supplementary document or replacement document of his wish to exercise his option under the SFA to withdraw his application, our Company and the Vendors shall pay to him all monies paid by him on account of his application for our Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at the applicant's risk within 7 days from the receipt of such notification.

Details of the procedures for application of our Invitation Shares are set out in Appendix H to this Prospectus.

DETAILS OF THE INVITATION

INDICATIVE TIMETABLE FOR LISTING

In accordance with the SGX-ST's News Release of 28 May 1993 on the trading of initial public offering shares on a ''when issued'' basis, the indicative timetable is set out below for the reference of applicants:–

Indicative Date and Time	Event
17 February 2004, 12.00 noon	Close of Application List
18 February 2004	Balloting of applications, if necessary (in the event of over-subscription for the Offer Shares)
19 February 2004, 9.00 a.m.	Commence trading on a ''when issued'' basis
1 March 2004	Last day of trading on a ''when issued'' basis
2 March 2004, 9.00 a.m.	Commence trading on a ''ready'' basis
5 March 2004	Settlement date for all trades done on a ''when issued'' basis and for all trades done on a ''ready'' basis on 2 March 2004

The Invitation will be open from 11 February 2004 to 12.00 noon on 17 February 2004.

The above timetable is only indicative as it assumes that the date of closing of the Application List takes place on 17 February 2004, the date of admission of our Company to the Official List of SGX-ST will be 19 February 2004, the SGX-ST's shareholding spread requirement will be complied with and our New Shares will be issued and fully paid-up prior to 19 February 2004. The actual date on which the Shares will commence trading on a ''when issued'' basis will be announced when it is confirmed by the SGX-ST.

The above timetable and procedures may be subject to such modifications as the SGX-ST may, in its absolute discretion, decide, including the decision to permit trading on a ''when issued'' basis and the commencement date of such trading.

All persons trading in our Shares on a ''when issued'' basis, do so at their own risk. In particular, persons trading in our Shares before their Securities Accounts with CDP are credited with the relevant number of Shares do so at the risk of selling Shares which neither they nor their nominees, as the case may be, have been allotted and/or allocated or are otherwise beneficially entitled to. Such persons are exposed to the risk of having to cover their net sell positions earlier if ''when issued'' trading ends sooner than the indicative date mentioned above. Persons who have a net sell position traded on a ''when issued'' basis should close their positions on or before the first day of ''ready'' basis trading.

In the event of an early or extended closure of the Application List or the shortening or extension of the time period during which the Invitation is open, we will publicly announce the same:–

(i) through a MASNET announcement to be posted on the Internet at the SGX-ST website (http://www.sgx.com); and

(ii) through a paid advertisement in a local newspaper.

We will provide details through the channels described in (i) and (ii) above regarding the level of subscription, the basis of allocation and the results of the distribution of our Invitation Shares pursuant to the Invitation, as soon as it is practicable after the close of the Application List.

Investors should consult the SGX-ST announcement on the ''ready'' trading date on the Internet at the SGX-ST website (http://www.sgx.com) or newspapers or check with their brokers on the date on which trading on a ''ready'' basis will commence.

Invitation Price for each Share	S$0.28
NTA	
NTA per Share based on the proforma consolidated balance sheet of the Proforma Group as at 30 June 2003 after adjusting for the Restructuring Exercise, the Share Consolidation and the Share Split (the "Adjusted NTA per Share"):–	
Before adjusting for the estimated net proceeds from the Invitation and based on our Company's pre-Invitation share capital of 281,572,675 Shares	8.00 cents
After adjusting for the estimated net proceeds from the Invitation and based on our Company's post-Invitation share capital of 319,572,675 Shares	10.00 cents
Premium of the Invitation Price over the Adjusted NTA per Share as at 30 June 2003:–	
Before adjusting for the estimated net proceeds from the Invitation and based on our Company's pre-Invitation share capital of 281,572,675 Shares	250.0%
After adjusting for the estimated net proceeds from the Invitation and based on our Company's post-Invitation share capital of 319,572,675 Shares	180.0%
EPS	
Historical net EPS of our Group for FY2002 based on our Company's pre-Invitation share capital of 281,572,675 Shares	3.18 cents
Adjusted historical net EPS of our Group had the Service Agreement(1) been in place from the beginning of FY2002 based on our Company's pre-Invitation share capital of 281,572,675 Shares	3.15 cents
PER	
Historical PER based on the historical net EPS of our Group for FY2002 based on our Company's pre-Invitation share capital of 281,572,675 Shares	8.81 times
Adjusted historical PER based on adjusted historical net EPS of our Group for FY2002 had the Service Agreement(1) been in place from the beginning of FY2002 based on our Company's pre-Invitation share capital of 281,572,675 Shares	8.89 times
Net Operating Cash Flow(2)	
Historical net operating cash flow per Share for FY2002 based on our Company's pre-Invitation share capital of 281,572,675 Shares	3.42 cents
Historical net operating cash flow per Share had the Service Agreement been in place from the beginning of FY2002 based on our Company's pre-Invitation share capital of 281,572,675 Shares	3.39 cents

Note:–

(1) Had the Service Agreement described in the section entitled "Service Agreement" on pages 104 and 105 of this Prospectus been effected in FY2002, the estimated total remuneration for Mr Wong Tze Leng, our Executive Director, would have been S$0.1 million instead of S$63,800, and profit after tax in respect of FY2002 would have been S$8.9 million instead of S$9.0 million.

(2) Defined as profit before tax adjusted for depreciation and foreign exchange differences.

Price to Net Operating Cash Flow Ratio

Ratio of Invitation Price to historical net operating cash flow per Share for FY2002 based on our Company's pre-Invitation share capital of 281,572,675 Shares	8.19 times
Ratio of Invitation Price to historical net operating cash flow per Share had the Service Agreement been in place from the beginning of FY2002 based on our Company's pre-Invitation share capital of 281,572,675 Shares	8.26 times

Market Capitalisation

Market capitalisation based on the Invitation Price of S$0.28 per Share and our Company's post-Invitation share capital of 319,572,675 Shares	S$89.5 million

The Invitation Price is determined by us and the Vendors, in consultation with the Joint Lead Managers and the Joint Lead Placement Agents and Underwriters, based on market conditions and estimated market demand for our Shares. The Invitation Price is the same for all Invitation Shares and is payable in full on application.

This section should be read in conjunction with, and is qualified in its entirety by reference to Appendix H to this Prospectus.

Investors may apply to subscribe for and/or purchase any number of Invitation Shares in integral multiples of 1,000 Shares. In order to ensure a reasonable spread of Shareholders, we have the absolute discretion to prescribe a limit to the number of Invitation Shares to be allotted to and/or allocated to any single applicant and/or to allot and/or allocate Invitation Shares above or under such prescribed limit as we shall deem fit.

Application for the New Shares may be made by one of the following methods:–

(1) Public Offer

Pursuant to the terms and conditions contained in the Management and Underwriting Agreement, the Joint Lead Underwriters have agreed to underwrite our Offer Shares.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, the number of Offer Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Placement Shares to the extent that there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and/or the Placement Shares being fully subscribed and/or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors and the Vendors and approved by the SGX-ST.

Offer Shares

The Offer Shares are made available to members of the public in Singapore for subscription and/or purchase at the Invitation Price. Investors may apply for Offer Shares pursuant to the Offer by way of printed Application Forms or IB websites or ATMs belonging to the Participating Banks.

An applicant (other than an approved nominee company) who has made an application for Offer Shares in his own name may not submit another separate application for Offer Shares whether by way of an Offer Shares Application Form or by way of an IB or ATM Application, for any other person. Such separate applications shall be deemed to be multiple applications and shall be rejected.

An applicant who has made an application for Offer Shares by way of an Offer Shares Application Form may not make another separate application for Offer Shares by way of an IB or ATM Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected.

An applicant who has made an application for Offer Shares either by way of an Offer Shares Application Form or by way of an IB or ATM Application shall not make any separate application for Placement Shares by way of a Placement Shares Application Form or by way of application through the IPO website. Such separate application shall be deemed to be multiple applications and shall be rejected.

Additional terms and conditions of and the procedures for the application for Offer Shares by way of Application Forms and IB Applications and ATM Applications are set out in Appendix H to this Prospectus.

(2) Placement

Pursuant to the terms and conditions in the Placement Agreement, the Joint Lead Placement Agents agreed to subscribe for and/or purchase and/or procure subscribers and/or purchasers for the Placement Shares at the Invitation Price.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

In the event of an under-subscription for the Internet Placement Shares to be applied for through the IPO website as at the close of the Application List, that number of Internet Placement Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Placement Shares by way of Placement Shares Application Forms to the extent there is an over-subscription for the Placement Shares as at the close of the Application List or to satisfy excess applications for the Offer Shares, to the extent there is an over-subscription for the Offer Shares as at the close of the Application List.

(a) ***Placement Shares***

The Placement Shares are reserved for placement to members of the public in Singapore and institutional investors at the Invitation Price.

Application for the Placement Shares pursuant to the Placement may only be made by way of printed Application Forms with the exception of applications made for the Internet Placement Shares through the IPO website.

An applicant who applies for the Placement Shares must complete a Placement Shares Application Form and shall not make any separate application for the Placement Shares by way of application through the IPO website or by using another Placement Shares Application Form or for the Offer Shares (either using an Offer Share Application Form or by way of an IB or ATM Application). Such separate applications will be deemed to be multiple applications and shall be rejected.

Additional terms and conditions of and the procedures for the application for Placement Shares are set out in Appendix H to this Prospectus.

(b) ***Internet Placement Shares***

The Internet Placement Shares are reserved for placement to Qualifying Internet Applicants. Qualifying Internet Applicants may apply for the Internet Placement Shares though the IPO website.

The placement of the Internet Placement Shares through the IPO website will be on a first-come-first-served basis, and is subject to availability at the time of the application.

A Qualifying Internet Applicant who has made an application for Internet Placement Shares through the IPO website shall not make any separate application for Placement Shares by way of a Placement Shares Application Form or by way of another application through the IPO website, or for the Offer Shares (either using an Offer Share Application Form or by way of an IB or ATM Application). Such separate applications will be deemed to be multiple applications and shall be rejected.

Additional terms and conditions of and the procedures for the application for Internet Placement Shares through the IPO website are set out in Appendix H to this Prospectus.

PLAN OF DISTRIBUTION

Subscribers and purchasers of the Placement Shares may be required to pay a brokerage fee of up to 1% of the Invitation Price (plus goods and services tax thereon, if applicable) to the Joint Lead Placement Agents.

We are not aware of any Substantial Shareholder or Director who intends to subscribe for and/or purchase Invitation Shares in the Invitation. If such person(s) were to subscribe for and/or purchase Invitation Shares pursuant to the Invitation and is subsequently allocated or allotted such Invitation Shares, we will make the necessary announcement at an appropriate time.

We are not aware of any person who intends to subscribe for and/or purchase 5% or more of the Invitation Shares.

Further, no Shares shall be allocated or allotted on the basis of this Prospectus later than six months after the date of registration of this Prospectus.

SELLING RESTRICTIONS

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Invitation Shares in any jurisdiction in which such an offer, solicitation or invitation is unlawful or is not authorised. This Prospectus does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Invitation Shares to any such person to whom it is unlawful to make such an offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the filing and/or registration of this Prospectus in Singapore in order to permit a public offering of the Invitation Shares and the public distribution of this Prospectus in Singapore.

The distribution of this Prospectus and the offering of the Invitation Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Prospectus are required by our Company, the Vendors, the Joint Lead Managers and the Joint Lead Underwriters to inform themselves about, and to observe and comply with, any such restrictions.

Selling Restrictions in Hong Kong

This Prospectus does not constitute an offer to the public in Hong Kong to subscribe for and/or purchase the securities referred to herein. No steps have been taken to register this Prospectus with the Registrar of Companies in Hong Kong, and accordingly, except as mentioned below, no copy of this document may be issued, circulated or distributed in Hong Kong.

A copy of this document may, however, be issued by the Joint Lead Placement Agents to a limited number of prospective applicants for the Placement Shares in Hong Kong in a manner which does not constitute an offer of the Placement Shares to the public in Hong Kong or an issue, circulation or distribution in Hong Kong of a prospectus for the purposes of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The offer of the Placement Shares is personal to the person named in the accompanying Application Form and application for the Placement Shares will only be accepted from such person. An application for the Placement Shares is not invited from any persons in Hong Kong other than a person to whom a copy of this Prospectus has been issued by the Joint Lead Placement Agents, and if made, will not be accepted, unless the applicant satisfies the Joint Lead Placement Agents that the applicant is a person whose ordinary business is to buy or sell shares, whether as principal or as agent.

No person to whom a copy of this Prospectus is issued as aforesaid may issue, circulate or distribute this Prospectus in Hong Kong or make or give a copy of this Prospectus to any other person, other than their legal, financial, tax or other appropriate advisers who are subject to a duty of confidence to such person.

The Joint Lead Placement Agents have agreed with our Company and the Vendors that they (and their designated sub-placement agents, if any) have not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Shares other than to a person whose ordinary business is to buy or sell shares, whether as principal or as agent, or in circumstances which do not constitute an offer of the Placement Shares to the public within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

This document may not be issued in Hong Kong to any person other than a person whose ordinary business is to buy or sell shares, whether as principal or as agent.

You should carefully evaluate each of the following considerations and all of the other information set out in this Prospectus before deciding to invest in the Invitation Shares. *If any of the following considerations and uncertainties develop into actual events, our business, results of operations or financial conditions could be materially and adversely affected. In such case, the trading price of our Shares could decline due to any of these considerations and uncertainties, and you may lose all or part of your investment in our Shares.*

RISK FACTORS WHICH APPLY SPECIFICALLY TO THE INDUSTRY WE OPERATE IN

Our success is dependent on our ability to adapt to rapid changes in telecommunications

Our business is affected by rapid technological developments in the telecommunications industry, changing market trends, customer requirements, evolving industry standards, significant changes in the regulatory environment and frequent new product and service introductions. Our future success will depend on our ability to enhance and introduce new products and solutions in response to such changes. In addition, there is no assurance that we will be able to successfully identify, develop or obtain the licence for the technology that is necessary for us to remain relevant and competitive. We engage in software and systems development activities to keep up with technological trends. However, there is no assurance that such activities will result in us developing commercially viable products and services by ourselves or jointly with other parties that will keep pace with the demands of the marketplace. If we are unable to respond to these rapid changes in the telecommunications industry successfully, our competitiveness, business and prospects will be adversely affected.

Consolidation of telcos in certain markets may adversely affect our operations and growth

We may face industry consolidation in the markets in which we operate. Our existing customers may become part of other organisations with systems and technologies that may not be compatible with our existing products and solutions. In addition, there is no assurance that our existing products and solutions will remain relevant in the face of industry consolidation. Our competitiveness and growth prospects could be adversely affected if we are unable to develop systems and technologies compatible with that of our customers and new products and solutions that could address the needs of our customers. Consolidation in the industry could also result in the formation of telcos and SPs possessing greater bargaining power which could adversely impact prices and hence our margins.

We are subject to government regulations relating to telecommunications services and businesses

We, our customers and suppliers are subject to laws and regulations applicable to telecommunications services and businesses. Laws and regulations with respect to telecommunications services may be modified or adopted which could affect pricing, distribution and quality/standards of products and services. The modification or adoption of any of these additional laws or regulations may adversely affect the expansion of telecommunications services, which could increase our cost of business or decrease the demand for our products and services.

The application of laws and regulations of jurisdictions where we plan to offer our products and services could also affect our business. For example, foreign jurisdictions may require us to meet certain requirements to qualify to conduct business as a foreign corporation, subject us to taxes and penalties, regulate or restrict our telecommunications solutions, and modify or enact new laws.

We operate in a competitive environment

The telecommunications industry, including the specific markets within which we operate, is highly competitive. We expect to face more competition in the form of new entrants into the market and from existing competitors as a result of alliances, joint ventures or consolidations. We compete with a variety of companies, some of which may have longer operating histories, larger clientele, better products, larger teams of technical and professional staff, are better entrenched in the markets that we operate in or intend to venture into, as well as having greater financial, technical, marketing and such other relevant resources. Our competitors may be able to respond more quickly to new and emerging technologies and changes in our customers' requirements. For further details of our competitors, please refer to the section entitled ''Competition'' on page 84 of this Prospectus. Our continued success depends on our ability to compete effectively with our existing and future competitors and adapt more quickly to changing market conditions and trends. In the event that we are unable to compete effectively or remain relevant, our financial performance and condition will be adversely affected.

RISK FACTORS WHICH APPLY SPECIFICALLY TO OUR BUSINESS AND OPERATIONS

Failure to retain the services of key management or to retain and hire skilled professionals will adversely affect our operations, results and growth

Our success depends on our ability to retain the services of our key management personnel and to retain and hire personnel with the requisite information technology (''IT'') skills. In particular, the failure to retain the services of Wong Tze Leng, our Executive Director and CEO, who oversees the management and operations of our Group, will have an adverse impact on our sales and profitability.

The quality of our services and solutions is, to a large extent, dependent on the ability of our skilled IT professionals to keep abreast of evolving industry standards, developments in information technology and the changing requirements and business environment in which our clients operate. Competition for such skilled personnel is intense and comes primarily from similar businesses active in our markets, many of which possess greater resources. Furthermore, the competiton for skilled IT personnel may intensify such that we may have to increase the levels of our employee compensation more rapidly than in the past resulting in higher operating costs. Limitations on our ability to hire and train the required number of skilled IT personnel would limit our ability to undertake future projects and may have an adverse impact on our operations, results and growth.

We are exposed to project risks for our Proprietary Solutions business

The majority of our revenue is derived from projects for the provision of telecommunications solutions and services which are based on fixed-price and fixed-duration contracts. The pricing for these projects is determined at the time at which the relevant contract is signed and is based on our internal estimates as well as our suppliers' quotations. Failure to estimate our project costs accurately may adversely affect our margins and financial results. In the event that our projects commence after the validity period of our suppliers' quotations, we may face an increase in project costs. Incomplete specifications at the outset or unanticipated difficulties in implementation may require us to channel more resources to complete the project. Any such difficulties may result in cost overruns and/or project delays. These resultant delays may expose us to claims for substantial damages for breach of contract (including the possibility of claims for loss of profits or consequential damages) from our customers. The failure to complete our projects as scheduled will adversely affect our financial performance.

We are vulnerable to the uncertainty of sales to our customers in each financial year

We derive a substantial portion of our sales from fees for services generated on a project-by-project basis. These projects vary in size and scope and may represent a significant financial commitment for our customers. The demand for our products and solutions is also subject to the budgetary cycles of our customers. A customer that accounts for a significant portion of our Group's sales in a given period may not generate a similar amount of sales in another period. In addition, we have no assurance that an existing customer will continue to use our services and solutions for its future needs. This uncertainty of sales to our customers may cause our revenues and results to vary significantly from period to period.

Failure of Unified Malaysia to retain its MSC status will adversely impact our operations and results

Our Company currently holds 100% of the issued and paid-up share capital of Unified Malaysia. Unified Malaysia was awarded MSC status on 21 December 2000 and accordingly must adhere to certain conditions applicable to MSC status companies. Such conditions are described in greater detail in the section entitled ''Government Regulations'' on pages 116 to 121 of this Prospectus. Unified Malaysia's MSC status could be revoked at the discretion of the MDC, the body which oversees the development of the MSC, if these conditions are not adhered to. If Unified Malaysia loses its MSC status, it will cease to be entitled to the benefits, incentives and such other rights accorded to MSC status companies. In particular, the loss of MSC status will result in Unified Malaysia being subject to the share ownership restrictions stipulated by the FIC guidelines, Malaysian exchange control regulations and the loss of the income tax exemption accorded by Unified Malaysia's pioneer status, all of which are elaborated in greater detail below:–

(i) ***Impact of the FIC guidelines***

The FIC usually requires 70% of the total issued and paid-up share capital of any company incorporated in Malaysia to be held by Malaysians, and at least 30% of the total issued and paid-up share capital of the company to be held by residents of Malay or indigenous origin of Malaysia (''Bumiputras'').

However, the Malaysian Government had in May 2003 announced an economic stimulus package with a view to improve the economy of the country. One of the strategies under the said stimulus package is to promote private investment and to encourage foreign direct investment. One of such measures is to liberalise the existing FIC guidelines. Generally, the Malaysian Government had proposed to allow foreign interests to own up to 70% of Malaysian private companies, provided that the minimum 30% Bumiputra equity condition is maintained. However, no formal announcement of relaxation of the prevailing FIC guidelines has been made to date.

In any event, if Unified Malaysia loses its MSC status, it will be subject to the FIC guidelines and our Company may have to reduce its shareholding in Unified Malaysia in line with the thresholds in the guidelines and comply with such other conditions as may be stipulated by the FIC with regards to such disposal of shares. Our Company may apply to the FIC for approval for our Company to hold 100% of Unified Malaysia. However, the approval of the FIC for such an application cannot be guaranteed. Even if the FIC was to grant its approval for our Company to hold 100% of Unified Malaysia, such approval may be conditional upon our Company reducing its shareholding in Unified Malaysia within a specified time period. Although the FIC guidelines are only administrative guidelines, a failure to comply with these guidelines may prejudice Unified Malaysia's ability to obtain approvals and licences from other government agencies or regulatory bodies in Malaysia should these approvals or licences be required in connection with its business. Non-compliance with the FIC guidelines may also disadvantage Unified Malaysia's position in securing commercial contracts or projects awarded by the Malaysian Government or other Malaysian government authorities.

Unified Malaysia is currently our wholly-owned subsidiary and if our ownership interest in Unified Malaysia is required to be reduced to comply with the FIC guidelines, our Group's share of dividends and profits (after minority interests) from Unified Malaysia would be substantially reduced. If such dilution were to result in Unified Malaysia ceasing to be our subsidiary, we would not be able to consolidate the revenue and profits of Unified Malaysia. Furthermore, any dilution of our ownership of Unified Malaysia will reduce our indirect interest in its intellectual property rights and we may not be able to exercise control over the use of its intellectual property rights.

(ii) ***Application of Malaysian exchange control regulations***

In the event that Unified Malaysia loses its MSC status, it would be subject to the exchange control restrictions imposed by the ECA and the Exchange Control of Malaysia Notices (''ECM'') issued pursuant to the ECA. These restrictions would, among other things, require Unified Malaysia to obtain the prior permission of Bank Negara Malaysia for:–

(a) any credit facilties extended by any licensed banks, licensed merchant banks and non-residents in foreign currency exceeding the equivalent of RM5 million in the aggregate; and

(b) any trade financing facilities of any amount in foreign currency extended by any licensed banks and licensed merchant banks where the tenure of the credit exceeds 12 months.

Further, as a non-resident controlled company, Unified Malaysia would have to obtain the prior permission of Bank Negara Malaysia for:–

(a) any credit facilites for short-term trade financing extended by a resident in RM or any foreign currency where the tenure of the credit exceeds 12 months; and

(b) any other credit facility extended by a resident in RM or any foreign currency which exceeds RM50 million.

If Unified Malaysia fails to obtain Bank Negara Malaysia's approvals for any of the above mentioned transactions, it may significantly affect Unified Malaysia's ability to borrow funds in excess of the above thresholds for its business.

(iii) ***Loss of pioneer status***

Unified Malaysia was granted pioneer status by MITI on 17 July 2001 for a period of 5 years commencing 21 December 2000 by virtue of its MSC status. As a pioneer status company, Unified Malaysia is exempted from income tax on profits generated from its MSC-qualifying activities for a period of 5 years from 21 December 2000 to 20 December 2005. If Unified Malaysia ceases to be a MSC status company, it may lose its pioneer status and as a result will not have the benefit of the aforesaid income tax exemption. The loss of such income tax exemption will significantly reduce the profit after tax of Unified Malaysia and adversely affect the results of our Company.

Our international operations expose us to currency fluctuations and other inherent risks

We are exposed to foreign exchange fluctuations in respect of our transactions and in preparing our consolidated financial statements.

Approximately 91.0%, 85.8% and 86.4% of our purchases for FY2001, FY2002 and 1H2003 respectively were denominated in US$. Our sales generated outside Singapore and Malaysia are denominated in US$. For FY2001, FY2002 and 1H2003 respectively, approximately 77.6%, 69.1% and 56.3% of our Group's sales were denominated in US$. As a result, we are exposed to unhedged US$ debtors and US$ creditors. Although we maintain all US$ receipts in US$ accounts to repay US$ creditors, we presently do not have a specific policy to hedge our foreign currency exposure.

Our main operating expenses are denominated in the functional currencies of Unified Singapore and Unified Malaysia, namely S$ and RM. Foreign exchange rates fluctuations between S$ and US$ and between S$ and RM may have a significant impact on our Group's reported earnings.

As the reporting currency of our Group is in S$, the income statements of Unified Malaysia are translated using the average exchange rates during the financial period and the balance sheet items of Unified Malaysia are translated at the prevailing exchange rate at the end of the financial period, upon consolidation. The exchange differences arising on translation are taken directly to the foreign currency translation reserve. If the exchange differences arising from these translations are material, the shareholders' equity as shown in our consolidated financial statements may be adversely affected.

Further discussion on our foreign currency exposure can be found in the section entitled ''Foreign Currency Exchange Exposure and Management'' on pages 57 to 59 of this Prospectus.

Our business is evolving and our historical financial information may not be an appropriate basis on which to evaluate our future prospects and performance

We started our business in March 1998 and our business is still evolving. As such, our past financial data may not provide a meaningful basis upon which investors may evaluate us in respect of our future prospects and performance. Although our Group's profitability has been on an upward trend since incorporation in 1998, there is no assurance that we can sustain profitability or avoid losses in the future.

Our efforts to protect our intellectual property may not be adequate

We have taken the steps set out in the section entitled ''Intellectual Property Rights'' on page 79 of this Prospectus to protect our intellectual property rights, and have also entered into confidentiality agreements with our staff and business consultants. We control the access to and the distribution of our documentation and other licensed information. Despite these precautions, we cannot guarantee that the steps we have taken to protect our proprietary rights will be adequate to deter misappropriation of our intellectual property. In addition, we may not be able to detect unauthorised use of our intellectual property and take the appropriate steps to enforce our rights in instances of such infringement.

If third parties infringe or misappropriate our trade secrets, copyrights, trademarks or other proprietary information or intellectual property, our operations, financial performance and growth may be adversely affected. In addition, we cannot be certain that our intellectual property will be protected in many of the countries which we presently operate or expect to operate. As we expand our international operations, the risk that we will fail to adequately protect our intellectual property increases. In addition, our policing against unauthorised use of our licensed technology may lead to litigation to enforce and protect our intellectual property rights or to determine the validity and scope of the proprietary rights of others, all of which could result in substantial costs, management time, and diversion of resources.

We may inadvertently infringe on third-party intellectual property rights

In the course of using new technology, we may inadvertently infringe the intellectual property rights of others or other parties may assert that our products infringe, or may infringe, their proprietary rights. As a result, we may face liabilities and claims for such infringement which may lead to costly litigation and diversion of management time. We may be required to develop alternative technology or enter into royalty or licensing agreements. There is no assurance that we will be able to develop such technology or enter into royalty or licensing agreements on terms which are acceptable to us. In addition, inadvertent infringement of a third party's intellectual property rights could delay or compromise our introduction of new products and customised solutions. As a result, our business and financial performance may be adversely affected.

We rely on hardware and licensed software from third party suppliers

We rely on hardware and software that we purchase and license from third parties, including hardware and software that is integrated with our proprietary software and used to perform key functions in our products and solutions. In FY2001, FY2002 and 1H2003, purchases from our Group's major suppliers, Intel, Excel Switching Corp and Quintum Technologies, accounted for 68.3%, 49.0% and 74.3%, respectively, of our Group's total purchases.

The loss of or inability to maintain our hardware or software licenses or the inability of our third party suppliers to upgrade their products in a timely and cost-effective manner in response to changing customer needs, industry standards or technological developments could result in delays, reductions or disruptions in our product shipments until equivalent hardware or software can be developed internally or identified, licensed and integrated.

We extend warranties to our customers which expose us to potential liabilities

We typically provide our customers with a one-year warranty in respect of the products and customised solutions that we provide. Such warranties require us to rectify any defects or errors in our solutions at no additional cost to our customers within the period of the warranty. We also provide our customers with product warranties in respect of the telecommunications equipment and components we distribute. Although we have back-to-back warranties with our suppliers with respect to the telecommunications equipment and components we distribute, we are primarily responsible to our customers. Our contracts historically did not contain disclaimers or limitations on liability arising from any malfunctions or incidental damages. To date we have not incurred any significant liability for damages in respect of any products and customised solutions we have installed. However, any failure of our installed products and customised solutions to operate properly could give rise to substantial claims against us that in turn could adversely impact our operations and financial performance.

The complexity of our Proprietary Solutions increases the risk of claims

The implementation of our products and customised solutions typically involves working with sophisticated software, computing and communications systems. As our products and customised solutions contain complex codes, any material software errors may result in our failure to implement projects which fully satisfy the requirements and expectations of our clients. These failures could arise due to technology deficiencies, staff turnover, human errors or misinterpretation of and failure to adhere to specifications and procedures. Such failures may lead to delays in projects and damage or loss of data in our customers' network infrastructure which may result in claims being made against us and/or premature termination of our services in whole or in part and which could adversely affect our financial performance, reputation and prospects.

Our failure to complete our contractual obligations in a manner consistent with the terms of our engagement may, *inter alia,* impact our ability to attract new customers, leading to loss of market share due to adverse customer reaction, claims for substantial damages against us and increased insurance costs. Such failures would adversely impact our operations and financial performance.

Our failure to manage growth may affect our future performance

We expect future organic growth and growth via acquisitions. As we grow organically, the demands on our management, operating systems and internal controls will increase. Consequently, our existing management resources and operational, financial, human and management information systems and controls may be inadequate to support our future operations. Accordingly, there can be no assurance that we will continue to grow or be able to maintain our growth at our historical growth rate.

We may make investments in companies with complementary technologies or businesses, or purchase other business assets as part of our expansion strategy. The success of the integration of each investment will depend on a number of factors, including:–

- — integration and management of the operations;
- — retention of key management personnel;
- — coordination of sales and marketing efforts;
- — diversion of management's attention from ongoing business concerns;
- — management of an increasingly larger and more geographically diverse business; and
- — any existing, pending or potential litigation against the acquired businesses.

Execution of our expansion strategy may strain our resources. There is no assurance that we will be able to manage our growth effectively. Any failure on our part to successfully integrate and manage any growth or acquisition could have an adverse effect on our business, financial performance and financial condition.

We rely on a limited number of customers for a significant portion of our revenues

We have relied on and expect to rely on a limited number of telcos and SPs for a significant portion of our revenues. In FY2001, FY2002 and 1H2003, our major customers accounted for approximately 64.2%, 24.5% and 23.5% of our revenue respectively. Please refer to the section entitled ''Major Customers'' on page 80 of this Prospectus for a description of these major customers. In the event that a major customer, or group of customers, cancels or delays orders for our products, or does not continue to purchase our products at historical levels, our business and financial performance will be adversely affected.

There is no assurance that sales which are generated from business with any major customer in a particular period can be repeated in a subsequent period. The terms of our agreements with our customers typically contain a one-time licence fee. Maintenance services are optional and if subscribed to, are effective immediately following the expiry of the warranty period for the solution purchased. Typically, our customers are not required to license any additional software from us subsequent to their purchase. Further, our maintenance agreements are usually renewable annually at the option of our customers and there are no minimum payment obligations. Accordingly, we generally do not have long-term contracts with these customers upon which we can rely for future revenues.

Further, telco customers (including telcos to whom we provide our products and solutions under reseller or sub-contract arrangements) accounted for approximately 76.8%, 45.8% and 39.3% of our total sales of our Proprietary Solutions business for FY2001, FY2002 and 1H2003 respectively. As these customers are the central focus of our sales strategy, changes to their business strategies, capital expenditure budgets and spending plans will have an impact on our sales. If these telcos cease to deploy such communications services for any reason or reduce the pace of implementing enhanced solutions and services, the market for our products and solutions will be adversely affected. Further, delays in the introduction of new products and solutions, their failure in gaining widespread market acceptance and the failure by telcos and SPs to use our products in the deployment of these services will also adversely affect our business.

We may not be able to retain our current relationships with our suppliers in our Distribution business

We have currently established relationships with Intel, Quintum Technologies and Advantech, further details of which are set out in the section entitled ''Distribution Business'' on pages 75 and 76 of this Prospectus.

We are exposed to the risk of losing our relationships with any one of these suppliers. There is no assurance that these suppliers will not terminate their relationship with us. If they do so, our business, results of operation and financial condition could be materially affected. As these relationships are non-exclusive, such suppliers are free to enter into similar or more favourable relationships with other parties. The agreements underlying these relationships are general in nature, do not legally bind the parties, have indefinite terms and may be terminated by either party. The agreements cover only the ASEAN region and are on a short-term basis. In the event that any of the agreements are terminated, our Group's performance may be adversely affected.

If we are unable to obtain products and technologies from these or comparable suppliers, or if our suppliers choose to compete with us or endorse our competitors, or if the technological capabilities and popularity of our suppliers' products decline, our business will be affected.

There is the risk of business failure of any of our suppliers. There is also the risk that any of our suppliers may be merged with or acquired by one of their competitors which already has its own vehicle for the provision of similar services in the markets we operate in. If any of these events occur, our relationship with that supplier may be jeopardised and our business and financial performance may be adversely affected.

Our high level of trade receivables could affect our business and financial position

As our sales volume increases, we have experienced a material increase in the level of trade receivables. As at 30 June 2003, our trade receivables, all of which are unsecured, amounted to S$15.5 million as compared to S$12.6 million as at 31 December 2002. To compete effectively, we may be required to extend longer credit terms to our customers as compared to our competitors. As at 30 June 2003, our average trade debtors' turnover period was 198 days. This was higher than FY2002's average trade debtors' turnover period of 129 days. To the extent that we are unable to recover a significant portion of these trade receivables, our financial performance and condition would be adversely affected. A significant delay in the time period for collection of such receivables would adversely impact our cash flow and require us to obtain temporary financing and thereby increasing our interest costs. Please refer to the section entitled ''Credit Management'' on page 82 of this Prospectus for further information on our credit management.

The performance of our current overseas operations may be adversely affected by political and social uncertainties

We have offices outside of Singapore, including Malaysia, Hong Kong and the Philippines. We are also in the process of establishing a subsidiary in Thailand. As part of our future plans, we intend to expand our business in Asian markets not currently covered by us. In FY2002, approximately 5.9%, 5.1% and 14.3% of our sales was derived from customers in the Greater China region, Pakistan and the Philippines, respectively. In 1H2003, approximately 11.4%, 2.2% and 7.3% of our sales was derived from customers in the Greater China region, Pakistan and the Philippines, respectively.

Political and social uncertainties may lead to social tensions which will adversely affect the local economic and market conditions and our operations, in which event our business, financial performance and condition will be adversely affected.

Our expansion overseas involve significant financial and operational risks

We intend to expand our operations into other markets such as Indochina, Greater China and West Asia/Middle East. We expect to incur costs in expanding our overseas presence. Sales from these new operations may prove inadequate to cover the expenses of establishing and maintaining these overseas offices and their operations.

In addition to the uncertainty as to our ability to generate adequate sales from overseas operations and expand our overseas presence, there are certain risks inherent in doing business overseas, such as unexpected changes in regulatory requirements. Any modification or change in policies by the authorities may lead to changes in laws and regulations or the interpretation thereof, as well as changes in foreign business ownership restrictions, currency control policies, taxation and import and export restrictions. These changes may have a material adverse impact on our business, financial performance and condition. The implementation of foreign ownership business restrictions in a particular foreign market may constrain our ability to set up business operations in that foreign market. The implementation of currency control policies may also affect our ability to remit our profits back to our local operations and unfavourable taxation and import and export policies may adversely affect the pricing and competitiveness of our products and solutions.

We may have significant future capital needs which will require additional financing

We may need to raise significant additional funds in the future, through public or private financing, to support our growth, undertake acquisitions, develop new or enhanced products and solutions, respond to competitive pressures and/or acquire complementary businesses or technologies.

There is no assurance that such additional funding, if needed, will be available on acceptable terms. Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit our operating flexibility. If additional funds are raised through the issuance of equity or equity-linked instruments, our Shareholders may experience a reduction in their percentage shareholdings and a dilution in EPS. In addition, such equity or equity-linked instruments may have rights, preferences or privileges senior to those of our existing Shares.

Failure to secure adequate funds on acceptable terms will have an adverse impact on our business, competitiveness and financial performance and condition.

Our operations may be affected by unforeseen events that inhibit travelling

Past events such as the outbreak of Severe Acute Respiratory Syndrome (''SARS'') have adversely affected our operations. As a result of the outbreak, some countries implemented travel restrictions and several airlines reduced flights to and from countries affected by SARS. Such impediments to travel adversely affected our ability to freely deploy our staff to various countries where our customers are located, and in turn affected our ability to consult with our customers and deliver our solutions and products in a timely manner. Future occurrences of events that hamper travel such as the outbreak of SARS and terrorist activity will adversely affect our operations.

RISK FACTORS RELATING TO AN INVESTMENT IN OUR SHARES

External factors could affect the trading price of our Shares

The market price of our Shares may fluctuate significantly and rapidly as a result of, amongst others, the following factors, some of which are beyond our control:–

— variation in our financial performance;

— changes in securities analysts' estimates of our financial performance and recommendations;

— announcements by us of significant contracts, acquisitions, strategic alliances or joint ventures or capital commitments;

— additions or departures of key personnel;

— fluctuations in stock market prices and volume;

— involvement in litigation;

— loss of major customers or failure to complete significant orders or contracts;

— general economic and stock market conditions; and

— differences between our actual operating results and those expected by investors and securities analysts.

New investors will incur immediate dilution in NTA per Share

The Invitation Price of our Shares is substantially higher than our NTA per Share based on the post-Invitation issued share capital. Investors who purchase or subscribe for Shares in the Invitation will therefore experience immediate and significant dilution of approximately 18.00 cents per Share.

Sale of Shares by us and our existing Shareholders may cause our Share price to fall

If we or our Shareholders sell substantial amounts of our Shares in the public market following this Invitation, our traded Share price may fall. Such sales may also make it difficult for us to sell equity and raise the necessary funds in the future at a time and price we deem appropriate.

Except as otherwise described in the section entitled ''Moratorium'' on page 95 of this Prospectus, there will be no restriction on the ability of our Substantial Shareholders to sell their Shares either on the SGX-ST or otherwise.

In addition, in the event that we sell new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of sale, except in the event that we elect to conduct a rights issue. However, in the event that we elect to conduct a rights issue or certain other equity issues, we will have the discretion and may also be subject to certain procedures and regulations such that we may offer the new Shares to existing Shareholders. In addition, we may not offer such rights to our existing Shareholders having an address in jurisdictions outside of Singapore.

Accordingly, certain Shareholders may be unable to participate in future equity offerings by us and may experience dilution in their shareholdings as a result.

Control of our Company by our existing Substantial Shareholders may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

The existing Substantial Shareholders of our Company will in aggregate beneficially own approximately 64.3% of our enlarged share capital following the completion of the Invitation. These Shareholders, if acting together, would be able to significantly influence our Company's affairs and business which require Shareholders' approval, including the election of directors and the approval of certain transactions including mergers.

In particular, our controlling Shareholder, Worldwide Matrix, will beneficially own approximately 58.3% of our enlarged share capital pursuant to the Invitation. Worldwide Matrix holds sufficient Shares to pass a proposed ordinary resolution of Shareholders by its affirmative vote on a poll or to defeat a proposed ordinary resolution of Shareholders by its negative vote on a poll. This concentration of ownership could have the effect of delaying or preventing a change in control of our Company or otherwise discourage a potential acquirer from attempting to obtain control of our Company at a premium over the then current market price of our Shares.

USE OF PROCEEDS

The net proceeds from the issue of New Shares after deducting estimated issue expenses are estimated to be approximately S$9.4 million.

We intend to use the net proceeds from the issue of New Shares for the following purposes:–

(i) approximately S$2.0 million for product expansion and development, including acquisition of intellectual property focusing on mobile technology and solutions;

(ii) approximately S$2.0 million for expanding our revenue sharing programmes focusing on mobile entertainment, gaming and commerce;

(iii) approximately S$1.0 million for new regional expansion into less developed telecommunications markets such as Indochina, West Asia, the Middle East and Greater China and the establishment of offices in certain of those markets, including undertaking marketing programmes to increase awareness of our products, solutions and corporate brand; and

(iv) the balance for working capital and general corporate purposes, including acquisition of companies and/or entering into joint ventures when the opportunity arises.

Please refer to the section entitled ''Prospects, Business Strategy and Future Plans'' on pages 87 to 89 of this Prospectus for further details of our plans above.

Pending the above specific deployment of the net proceeds from the issue of New Shares, we may use the funds as working capital, invest in short-term money market instruments or place them in short-term deposits with banks and financial institutions or as our Directors may, in their absolute discretion, deem fit.

EXCHANGE RATES

As the reporting currency of our Group is S$, the income statements of Unified Malaysia are translated using the average exchange rates during the financial period and the balance sheet items of Unified Malaysia are translated at the prevailing exchange rate at the end of the financial period, upon consolidation. The exchange differences arising on translation are taken directly to the foreign currency translation reserve.

The following table sets out the exchange rates that have been used to translate the financial statements of Unified Malaysia for the financial periods set out in this Prospectus:–

	RM to S$	
	Average	**Closing**
FY2000	2.197	2.192
FY2001	2.116	2.053
FY2002	2.129	2.189
1H2002	2.098	2.151
1H2003	2.171	2.163

The following table sets out the high and low exchange rates between the S$ and the RM for each of the past six months immediately prior to the Latest Practicable Date. The table below illustrates how many RM it would take to buy one S$:–

	RM to S$	
	High	**Low**
June 2003	2.212	2.159
July 2003	2.179	2.156
August 2003	2.186	2.154
September 2003	2.197	2.162
October 20003	2.208	2.176
November 2003	2.219	2.177

Source: Bloomberg LP.

The exchange rate between the S$ and the RM as at the Latest Practicable Date was S$1.00 : RM2.223 as quoted by Bloomberg LP.

The above tables and figures should not be construed as representations that those S$ or RM amounts could have been, could be or would be, converted or convertible into RM or S$, as the case may be, at any particular rate, the rate stated above, or at all.

SUMMARY OF PROFORMA FINANCIAL INFORMATION OF OUR GROUP

You should read the following summary of proforma financial information of our Group in conjunction with the full text of this Prospectus, including the Compilation Report set out in Appendix A to this Prospectus and the related notes thereto, and the section entitled ''Management's Discussion and Analysis of the Result of Operations and Financial Position'' on pages 42 to 59 of this Prospectus.

PROFORMA RESULTS OF OPERATIONS OF OUR GROUP

	Proforma				
	FY2000	**FY2001**	**FY2002**	**1H2002**	**1H2003**
(S$'000)					
Sales	11,345	24,368	28,286	10,759	12,785
Cost of sales	(6,968)	(10,543)	(12,877)	(5,147)	(5,415)
Gross profit	4,377	13,825	15,409	5,612	7,370
Other operating income	4	4	544	161	53
Technical support expenses	(555)	(1,804)	(2,708)	(930)	(1,356)
Distribution costs	(297)	(741)	(1,850)	(799)	(1,369)
Administrative expenses	(1,296)	(2,341)	(2,128)	(837)	(982)
Exceptional gain	—	—	310	—	—
Operating profit	2,233	8,943	9,577	3,207	3,716
Finance income	1	4	4	1	3
Finance costs	—	—	(31)	(2)	(39)
Profit before tax	2,234	8,947	9,550	3,206	3,680
Tax	(667)	(688)	(588)	(339)	(255)
Profit after tax	1,567	8,259	8,962	2,867	3,425
Minority interest	—	—	(9)	—	10
Net profit attributable to Shareholders	**1,567**	**8,259**	**8,953**	**2,867**	**3,435**
EPS (cents) [1]	0.6	2.9	3.2	1.0	1.2

Notes:–

(1) For comparative purposes, the EPS for the financial year under review has been computed based on our net profit after tax and our pre-Invitation issued share capital of 281,572,675 Shares.

(2) The financial results of the Proforma Group for FY2000, FY2001, FY2002 and 1H2003 respectively have been prepared on the basis that the Proforma Group had been in existence throughout that period.

(3) Each of Unified Malaysia and Unified Singapore have recommended the payment of a final net dividend amounting to RM0.1 million and S$0.2 million, respectively for FY2002.

(4) In the event that the Service Agreement had been in existence for FY2002, our net profit after tax would have been S$8.9 million instead of S$9.0 million. Please refer to the section entitled ''Service Agreement'' on pages 104 and 105 of this Prospectus for details of the Service Agreement.

SUMMARY OF PROFORMA FINANCIAL INFORMATION OF OUR GROUP

PROFORMA FINANCIAL POSITION OF OUR GROUP

(S$'000)	As at 31 December 2002	As at 30 June 2003
Current assets		
Cash and cash equivalents	2,500	896
Deposits placed with financial institutions	1,077	855
Trade and other receivables	12,674	15,667
Contract work-in-progress	265	1,281
Inventories	5,882	6,152
Other current assets	393	655
	22,791	25,506
Non-current asset		
Plant and equipment	2,825	3,033
Total assets	**25,616**	**28,539**
Current liabilities		
Trade and other payables	5,279	4,242
Current tax	681	464
Hire purchase liabilities	—	41
Borrowings (secured)	74	725
	6,034	5,472
Non-current liabilities		
Hire purchase liabilities	—	152
Borrowings (secured)	165	109
Deferred tax	274	280
Total liabilities	**6,473**	**6,013**
Minority interest	10	—
Net assets	**19,133**	**22,526**
Shareholders' equity	**19,133**	**22,526**
NTA per Share (cents)[(1)]	**6.8**	**8.0**

Note:–

(1) The NTA per Share is based on our pre-Invitation issued share capital of 281,572,675 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULT OF OPERATIONS AND FINANCIAL POSITION

The following discussion of the results of our operations and financial position should be read in conjunction with the section entitled "Summary of Proforma Financial Information of Our Group" set out on pages 40 and 41 of this Prospectus and the Compilation Report set out in Appendix A to this Prospectus and the related notes thereto. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but not limited to, those discussed below and elsewhere in the Prospectus, particularly in the section entitled "Risk Factors" on pages 28 to 37 of this Prospectus.

OVERVIEW

Sales

We derive our sales from our Proprietary Solutions and Distribution businesses.

Our Proprietary Solutions business contributed approximately 38.5%, 76.6%, 83.1% and 78.3% of our sales for FY2000, FY2001, FY2002 and 1H2003 respectively (collectively, the "period under review") while our Distribution business contributed approximately 61.5%, 23.4%, 16.9% and 21.7% respectively of our sales for the same period. During the period under review, our Group had continually expanded its operations and diversified its customer base to include markets in countries such as China, Pakistan, Saudi Arabia and the US. The percentage of sales from countries outside the ASEAN region has increased from approximately 4.9% in FY2000 to approximately 16.5% in 1H2003.

The sales mix of our Group changed considerably during the period under review, as a result of our efforts to develop our Proprietary Solutions business which is illustrated in our sales breakdown by business segment.

Proprietary Solutions

Our core business is our Proprietary Solutions business which can be categorised into three main product groups, namely, voice-related products, mobile data products and interactive services. Our voice-related products are based on our proprietary platform, UniLink, which allows mobile and fixed-line telcos and SPs to enhance their network and product efficiency and deliver enhanced voice-based telecommunications switching services to their customers. In addition to our voice-related products, we offer a range of mobile data products based on our proprietary platform, MExLink, which is specially developed to allow mobile telcos and SPs to deliver mobile data based applications such as MMS, SMS and USSD, involving technologies such as GSM, GPRS and 3G. In addition to our voice-related and mobile data products, we build interactive dial-in applications for fixed-line and mobile telcos and SPs, and enterprises.

Our Proprietary Solutions business is generally provided on a turnkey basis. Each customer furnishes us with specifications in terms of functions and features required. The duration of a project from the point of award of the project to its completion depends, *inter alia*, on its scope, subscriber capacity and complexity. Projects for telcos are generally wider in scope and larger in contract value as compared to the projects for SPs. The duration of our projects normally range from one to four months. Sales revenue is recognised upon the occurrence of certain milestone events such as the delivery of key components, installation, testing and customer acceptance. The proportion recognised at each milestone depends, *inter alia*, on the total contract value and the scope of work, percentage completion and relationship with customer.

Distribution

Our Distribution business comprises sales of third parties' telecommunications-related hardware and software. Our suppliers include Intel, Quintum Technologies and Advantech. The products supplied include industrial-grade computers, computer peripherals, computer telephony products and VoIP-related products. Our distribution rights generally cover ASEAN countries and are non-exclusive in nature. Please refer to the section entitled ''Distribution Business'' on pages 75 and 76 of this Prospectus for further details of our distribution agreements. Sales from our Distribution business are recognised upon the passing of title to our customers which generally coincides with the delivery to and subsequent acceptance by our customers after delivery. The amount of sales returns during the period under review is insignificant.

Our Distribution business customers include value-added resellers, independent software vendors and systems integrators, who in turn resell these products to end users, as well as directly to end users themselves. We have adopted a master reseller strategy, whereby our resellers receive certain benefits including lower prices and marketing assistance from us. This strategy aims to strengthen our distribution channels, increase the proportion of recurrent sales and ultimately increase the number of eventual end users of the products we distribute.

Our sales are affected by, *inter alia*, the following key factors:–

(a) our ability to compete successfully with our competitors in terms of contract and product pricing;

(b) our ability to meet our customers' requirements and the delivery of our products to their satisfaction;

(c) our ability to expand our customer base, develop our distribution channels and penetrate new geographical markets and industries;

(d) the acceptance of our Proprietary Solutions by telcos, SPs and other potential customers;

(e) our ability to stay abreast of technological advancements as well as hire and retain skilled professionals;

(f) our ability to secure new distribution rights as well as maintain support from our existing principal suppliers in renewing our current distributor rights; and

(g) our customers' acceptance of and demand for the types of products that we offer.

Please refer to the section entitled ''Risk Factors'' on pages 28 to 37 of this Prospectus for more information on other factors which may affect our business operations, sales and overall financial performance.

Cost of Sales

The cost of sales for our Proprietary Solutions business generally comprise third party telecommunications hardware and software license fees, allocated staff costs of our development engineers, equipment rental costs, sub-contractors' fees on technical support, installation and maintenance services, travelling expenses attributable to project implementation, spares and miscellaneous ancillary equipment, inventory written off and provision for warranty.

The relative mix between in-house software, acquired software and acquired hardware determines substantially the gross profit margin of our projects. Generally, projects with a higher proportion of in-house software have higher gross profit margins. As our in-house software costs are principally attributed to their first use, the costs attributed to subsequent uses are generally lower.

Our cost of sales for our Distribution business generally comprise costs of telecommunications-related components and computer peripherals purchased from our suppliers.

Our cost of sales are affected by, *inter alia*, the following key factors: –

(a) price fluctuation of products purchased from our suppliers and adjustments in selling prices or distribution discounts in respect of the hardware and software licenses as well as reseller agreements entered into with our suppliers;

(b) variation in the composition of third party hardware and software components of our projects;

(c) costs of our skilled professionals; and

(d) cost overrun for fixed-priced projects.

We provide customers of our Proprietary Solutions business with standard warranties. The scope of these warranties are limited to our commitment to rectify certain faults and errors experienced within one year of the customer's acceptance. Principal costs arising from such warranties include the cost of replacement parts and the labour costs of our technical support staff. As the cost of the replacement parts is generally insignificant and the labour costs of our engineering staff have already been recorded as payroll costs, we do not make a general provision for warranty costs.

The warranties extended to customers of our Distribution business are covered by warranties extended to us by our suppliers of the respective products.

In FY2000, we made a specific provision for warranty costs amounting to S$0.2 million for certain Proprietary Solutions projects on grounds of prudence. However, as there were no significant claims after the end of the respective warranty periods, we wrote back these provisions in FY2002.

Technical Support Expenses

Technical support expenses are expenses incurred and attributable to our project implementation activities and comprise mainly payroll and the related costs of our systems engineers in the technical support department, rental and utilities costs attributable to project implementation activities as well as telecommunication equipment depreciation costs.

For FY2000, FY2001, FY2002 and 1H2003, payroll and related costs constituted approximately 65.6%, 72.2%, 62.5% and 62.5% of our technical support expenses respectively. These costs mainly relate to our systems engineers who are responsible for the project implementation activities. In FY2001, we started to allocate rental, utilities, and equipment depreciation costs under technical support expenses to align our costs with their respective functions to reflect our financial performance more accurately. Rental and utilities costs represented approximately 6.9%, 11.4% and 15.9% of our technical support expenses for FY2001, FY2002 and 1H2003 respectively. These costs were mainly based on office space attributable to project implementation activities. Equipment depreciation costs relate to equipment utilised for project implementation activities and these contributed approximately 20.0%, 18.2% and 20.0% of our technical support expenses for FY2001, FY2002 and 1H2003 respectively.

For FY2000, FY2001, FY2002 and 1H2003, our technical support expenses represented approximately 4.9%, 7.4%, 9.6% and 10.6% respectively of our total sales.

Distribution costs

Distribution costs comprise payroll and related costs of our sales and marketing staff, rental and utilities costs attributable to our distribution activities and other distribution costs including marketing and promotion expenses incurred, such as for trade shows and marketing seminars.

For FY2000, FY2001, FY2002 and 1H2003, payroll and related costs of our sales and marketing staff comprised approximately 80.8%, 87.1%, 78.5% and 72.3% respectively of our distribution costs. In FY2001, we started to allocate rental and utilities costs under distribution costs to align our costs with their respective functions to reflect our financial performance more accurately. Rental and utilities costs attributable to our distribution activities comprised approximately 1.3%, 10.8% and 10.0% of the total distribution costs for FY2001, FY2002 and 1H2003 respectively.

Other distribution costs, such as marketing and promotion expenses incurred, tend to vary with sales activity and comprised approximately 19.2%, 11.5%, 9.9% and 2.1% of our distribution costs for FY2000, FY2001, FY2002 and 1H2003 respectively

Distribution costs represented approximately 2.6%, 3.0%, 6.5% and 10.7% of our sales for FY2000, FY2001, FY2002 and 1H2003 respectively.

Administrative expenses

Our administrative expenses comprise mainly payroll and related costs of our finance and administrative staff, rental and utilities costs attributable to general administrative functions, provision for doubtful debts, office equipment depreciation, professional fees, losses on disposal of fixed assets or fixed assets written off, other operating overheads and foreign exchange losses.

Payroll and related costs of our administrative staff comprised approximately 40.8%, 40.5%, 44.7% and 29.8% of our administrative expenses for FY2000, FY2001, FY2002 and 1H2003 respectively. Rental and utilities costs attributable to general administrative functions comprised approximately 19.3%, 13.1%, 13.4% and 15.9% of our administrative expenses for FY2000, FY2001, FY2002 and 1H2003 respectively.

Professional fees made up 4.5%, 8.2%, 4.5% and 2.7% of administrative expenses for FY2000, FY2001, FY2002 and 1H2003 respectively.

Depreciation costs comprised approximately 3.4%, 5.3%, 11.3% and 17.5% of administrative expenses for FY2000, FY2001, FY2002 and 1H2003 respectively.

Provision for doubtful debts comprised approximately 17.5%, 13.4%, 1.1% of administrative expenses for FY2000, FY2001 and FY2002 respectively. There was no such provision made in 1H2003.

Administrative expenses represented approximately 11.4%, 9.6%, 7.5% and 7.7% of our sales for FY2000, FY2001, FY2002 and 1H2003 respectively.

Other operating income

We do not have material or significant recurring other operating income. The main components of other operating income for the period under review comprised foreign exchange gains, gains on disposal of fixed assets and the recovery of doubtful debts.

Finance income/(costs)

We do not have material or significant recurring finance income and costs. Finance income is attributable to interest revenue earned from fixed deposits placed with financial institutions for the maintenance of our banking facilities. Finance costs arise mainly from interest charges on our trade lines and overdraft facilities which we began utilising in FY2002.

Taxation

The corporate tax rates for the respective years under review were as follows:–

	FY2000	FY2001	FY2002	1H2003
Singapore	25.5%	24.5%	22.0%	22.0%
Malaysia	28.0%	28.0%	28.0%	28.0%

Our Group's total tax charges in FY2000, FY2001, FY2002 and 1H2003 were S$0.7 million, S$0.7 million, S$0.6 million and S$0.3 million respectively. As a percentage of our Group's pre-tax profits, the above-mentioned tax charges in FY2000, FY2001, FY2002 and 1H2003 were 29.9%, 7.7%, 6.2% and 6.9% respectively.

Unified Malaysia, our wholly-owned subsidiary in Malaysia, was granted MSC status in December 2000 by the MDC. As an MSC status company, Unified Malaysia enjoys certain incentives, including five years' pioneer status tax exemption on profits generated from its MSC-qualifying activities for the period commencing from 21 December 2000 to 20 December 2005. Unified Malaysia's pioneer status may be renewed for a further five year period from 21 December 2005 to 20 December 2010, upon formal application to the MDC on or before 21 December 2005 and subject to the MDC's confirmation that Unified Malaysia has continued to comply with all the conditions for MSC status. The grant of any such extension is at the discretion of the Minister of International Trade and Industry, Malaysia, with the concurrence of the Minister of Finance, Malaysia. Our Directors are not aware of any reasons why such an extension of pioneer status would not be granted in the event that the application is made in time and if the conditions for MSC status have been complied with. Pursuant to Malaysia's Promotion of Investments Act 1986, the maximum period for pioneer status accorded to a company is ten years. Accordingly, based on current laws and regulations, no further extensions would be possible for Unified Malaysia's pioneer status beyond 20 December 2010. The income exempted from Malaysian corporate income tax is the excess of the statutory income over the inflation adjusted base income. Further details relating to MSC status and pioneer status are set out in the section entitled ''Taxation'' in Appendix G to this Prospectus. As a result of these tax exemptions, our Group's effective tax rate was lower than both the Singapore and Malaysia corporate tax rates.

BREAKDOWN OF FINANCIAL PERFORMANCE BY BUSINESS ACTIVITIES

Our sales, profit before tax and profit before tax margins for our Proprietary Solutions and Distribution businesses for the past three financial years ended 31 December and the six months ended 30 June 2002 and 30 June 2003 are summarised as follows:–

Sales

	Proforma									
	FY2000		FY2001		FY2002		1H2002		1H2003	
	S$'000	%	S$'000	%	S$'000	%	S$'000	%	S$'000	%
Proprietary Solutions	4,363	38.5	18,657	76.6	23,507	83.1	8,314	77.3	10,007	78.3
Distribution	6,982	61.5	5,711	23.4	4,779	16.9	2,445	22.7	2,778	21.7
Total	11,345	100.0	24,368	100.0	28,286	100.0	10,759	100.0	12,785	100.0

Profit Before Tax

	Proforma									
	FY2000		FY2001		FY2002		1H2002		1H2003	
	S$'000	%	S$'000	%	S$'000	%	S$'000	%	S$'000	%
Proprietary Solutions	639	28.6	8,187	91.5	9,142	95.7	3,050	95.1	3,244	88.2
Distribution	1,594	71.4	760	8.5	408	4.3	156	4.9	436	11.8
Total	2,233	100.0	8,947	100.0	9,550	100.0	3,206	100.0	3,680	100.0

Profit Before Tax Margin

	Proforma				
	FY2000	FY2001	FY2002	1H2002	1H2003
	%	%	%	%	%
Proprietary Solutions	14.7	43.9	38.9	36.7	32.4
Distribution	22.8	13.3	8.5	6.4	15.7
Total	19.7	36.7	33.8	29.8	28.8

BREAKDOWN OF FINANCIAL PERFORMANCE BY GEOGRAPHICAL REGIONS

Our Group's sales are mainly derived from the ASEAN(1) region. For the period under review, sales, profit before tax, and profit before tax margin according to geographical markets are as follows:–

Sales

	Proforma									
	FY2000		FY2001		FY2002		1H2002		1H2003	
	S$'000	%	S$'000	%	S$'000	%	S$'000	%	S$'000	%
ASEAN(1)	10,789	95.1	20,131	82.6	20,923	74.0	8,362	77.7	10,672	83.5
Greater China(2)	508	4.5	1,739	7.1	1,670	5.9	429	4.0	1,459	11.4
North America(3)	—	—	2,265	9.3	4,018	14.2	1,650	15.3	115	0.9
Others(4)	48	0.4	233	1.0	1,675	5.9	318	3.0	539	4.2
Total	11,345	100.0	24,368	100.0	28,286	100.0	10,759	100.0	12,785	100.0

Profit Before Tax

	Proforma									
	FY2000		FY2001		FY2002		1H2002		1H2003	
	S$'000	%	S$'000	%	S$'000	%	S$'000	%	S$'000	%
ASEAN(1)	2,263	*n.m.*	7,742	86.5	7,867	*n.m.*	2,396	74.7	3,158	85.8
Greater China(2)	(42)	*n.m.*	226	2.5	570	*n.m.*	156	4.9	401	10.9
North America(3)	—	—	913	10.2	1,122	*n.m.*	624	19.5	36	1.0
Others(4)	12	*n.m.*	66	0.8	(9)	*n.m.*	30	0.9	85	2.3
Total	2,233	*n.m.*	8,947	100.0	9,550	*n.m.*	3,206	100	3,680	100.0

Profit Before Tax Margin

	Proforma				
	FY2000	FY2001	FY2002	1H2002	1H2003
	%	%	%	%	%
ASEAN(1)	21.0	38.5	37.6	28.7	29.6
Greater China(2)	(8.3)	13.0	34.1	36.4	27.5
North America(3)	—	40.3	27.9	37.8	31.3
Others(4)	25.0	28.3	(0.5)	9.4	15.8
Total	19.7	36.7	33.8	29.8	28.8

Notes:–

(1) Comprising Singapore, Malaysia, the Philippines, Brunei, Indonesia, Thailand and Vietnam.

(2) Comprising the PRC and Taiwan.

(3) Comprising the US.

(4) Comprising Pakistan and Saudi Arabia.

''n.m.'' — not meaningful

REVIEW OF PAST OPERATING RESULTS

FY2000 to FY2001

Sales

Our sales increased by S$13.1 million or 114.8% from S$11.3 million in FY2000, to S$24.4 million in FY2001. The increase was mainly attributable to the additional sales generated by our Proprietary Solutions business which increased by S$14.3 million or 327.6%, from S$4.4 million in FY2000 to S$18.7 million in FY2001. The number of projects we worked on increased from 21 in FY2000 to 38 in FY2001, while the average project size increased from S$0.2 million to S$0.5 million. The increase in the number of projects and customers was a result of the deregulation of the telecommunications industry, in particular, in Malaysia and Singapore, which permitted new SPs to enter these markets. As a result, our customer base through direct sales and sub-contracting arrangements, expanded within our mainstay ASEAN markets and also in other parts of the world, such as NCR Corporation and Americom Technologies in Pakistan, and China Telecom in the PRC. The increase in average project size was the result of three large voice-related projects for Smart Communications (the Phillipines), Vocom International Telecommunications (US) and DiGi Telecommunications (Malaysia).

Although sales in our Proprietary Solutions business increased during this period, sales from our Distribution business declined by S$1.3 million or 18.2% from S$7.0 million in FY2000 to S$5.7 million in FY2001. This relative decline was due to the unusually large project for the Ministry of Defence of Singapore in FY2000, amounting to S$2.7 million. This decline was partially offset by an increase in sales to new customers in Malaysia, as well as an increase in order levels from other existing customers. Our customer base for our Distribution business grew from 194 in FY2000 to 214 in FY2001 in line with our master reseller strategy of encouraging sales to distributors and systems integrators to increase our customer base of end users and recurrent sales.

Gross profit

Our gross profit increased by S$9.4 million or 215.9% from S$4.4 million in FY2000 to S$13.8 million in FY2001. Our average gross profit margin also improved from 38.6% in FY2000 to 56.7% in FY2001.

The improvement in gross profit was mainly attributable to the increase in sales contribution from our Proprietary Solutions business, which generally commands higher margins than our Distribution business. Gross profit recorded by our Proprietary Solutions business increased substantially by S$10.3 million or 500.2% from S$2.1 million in FY2000 to S$12.4 million in FY2001. The gross profit margin of the Proprietary Solutions business recorded an improvement from 47.4% in FY2000 to 66.5% in FY2001. This was mainly attributable to higher gross profit margin projects where the contract mix comprised a lower proportion of third party hardware and software and higher proportion of in-house software. Such projects with a higher gross profit margin contributed approximately two-thirds of total Proprietary Solutions sales in FY2001, as compared to less than one-third of total Proprietary Solutions sales in FY2000.

Off-setting the increase in gross profits from the Proprietary Solutions business was the lower gross profit recorded by our Distribution business. This was in line with Distribution sales which declined by S$1.3 million or 18.2%, from S$7.0 million in FY2000 to S$5.8 million in FY2001. The average gross profit margin for our Distribution business fell from 33.1% in FY2000 to 24.8% in FY2001 as a result of market competition and the range of telecommunications products distributed. The range of products sold in FY2000 commanded a higher margin as compared to the range of products sold FY2001 as a higher proportion of sales in FY2000 were made to end customers.

Technical support expenses

Technical support expenses increased by 225.0% or S$1.2 million, from S$0.6 million in FY2000 to S$1.8 million in FY2001. The increase was mainly attributable to higher staff and related costs which increased by S$0.9 million from S$0.4 million in FY2000 to S$1.3 million in FY2001. Technical support staff headcount grew from 17 in FY2000 to 38 in FY2001 as we hired new systems engineers as well as new project managers, which was in line with our increase in business activities. The increase in technical support expenses was also due to an increase in depreciation costs of $0.2 million for new telecommunications equipment. In FY2001, we began to allocate rental costs previously charged to administrative expenses by function, for a more accurate reflection of our financial performance. These attributable rental costs amounted to S$0.1 million for FY2001.

Distribution costs

Distribution costs increased by approximately S$0.4 million, or 149.5%, from S$0.3 million in FY2000 to S$0.7 million in FY2001 in line with the increase in our business activities. The increase was mainly attributable to an increase in headcount of our sales and marketing staff, from 7 in FY2000 to 18 in FY2001. As a result, staff costs during this period increased by S$0.5 million from S$0.2 million in FY2000 to S$0.7 million in FY2001.

Administrative expenses

Administrative expenses increased by S$1.0 million, or 80.6% from S$1.3 million in FY2000 to S$2.3 million in FY2001. The increase was mainly attributable to the rise in administrative staff headcount and related costs from S$0.5 million in FY2000 to S$0.9 million in FY2001 as the number of administrative staff grew from 5 in FY2000 to 18 in FY2001. The expansion of our operations in both Malaysia and Singapore as well as the setting up of a representative office in the Philippines, prompted an increase in office space resulting in higher office rental costs of S$0.1 million. We also recorded an increase in professional fees of S$0.1 million. The purchase of additional office equipment resulted in an increase in depreciation costs of S$0.1 million. Provision for doubtful debts increased by S$0.1 million as a result of a customer undergoing liquidation and dispute over customers' receivables. Other operating overheads increased by S$0.2 million. These other operating overheads comprised mainly telephone and utilities charges, bank charges, courier charges and office upkeep and maintenance.

Finance income/(costs)

There was no significant change in finance income/(costs) between FY2000 and FY2001.

Other operating income

There was no significant change in other operating income between FY2000 and FY2001.

Profit before tax

Profit before tax increased by S$6.7 million or 300.5 % from S$2.2 million in FY2000 to S$8.9 million in FY2001. The increase was a result of higher sales and improved gross profit margin, which was partially offset by the increases in technical support expenses, distribution costs and administrative expenses. The resultant profit before tax margin increased from 19.7% in FY2000 to 36.7% in FY2001.

The increase in profit before tax margin was mainly attributable to higher gross profit margin projects where the contract mix comprised a lower proportion of third party hardware and software and higher proportion of in-house software.

The loss before tax in respect of our sales to the Greater China region of approximately S$42,000 in FY2000 was mainly attributable to a higher sales contribution from our Distribution business, which generally commands a lower margin than sales from our Proprietary Solutions business. As operating expenses of the Group are allocated based on percentage of sales by region, this resulted in a loss before tax attributed to the Greater China region in FY2000.

In FY2001, the Group managed to secure a number of Proprietary Solutions projects in the Greater China region with higher margins than sales from our Distribution business, which resulted in the improvement in the profit before tax attributed to the Greater China region.

Profits generated from our Proprietary Solutions business increased by S$7.5 million as a result of increased sales and improved gross profit margin in this business segment. The resultant profit before tax margin increased from 14.7% in FY2000 to 43.9% in FY2001.

Profits generated from our Distribution business decreased by S$0.8 million as a result of decreased sales and a lower gross profit margin in this business segment. The resultant profit before tax margin decreased from 22.8% in FY2000 to 13.3% in FY2001.

Profit after tax

Profit after tax increased by S$6.7 million or 427.1%, from S$1.6 million in FY2000 to S$8.3 million in FY2001. From FY2000 to FY2001, tax expense remained at S$0.7 million despite the increase in profit before tax. This was mainly attributable to higher profit contributed by Unified Malaysia which enjoys MSC pioneer status.

FY2001 to FY2002

Sales

Sales increased by S$3.9 million, or 16.1%, from S$24.4 million in FY2001 to S$28.3 million in FY2002. The increase was mainly attributable to the increase in sales from our Proprietary Solutions business, which increased by S$4.8 million or 26.0% from S$18.7 million in FY2001 to S$23.5 million in FY2002. The number of projects we worked on increased to 80 in FY2002 as compared to 38 in FY2001, although the average project size decreased from S$0.5 million to S$0.3 million as there was an increase in projects for smaller SPs. We benefited from new contracts secured from existing customers such as Vocom International Telecommunications (US), Smart Communications (the Philippines) and DiGi Telecommunication (Malaysia). In addition, due to the deregulation trends within the ASEAN region, we also secured new customers such as Radius-Ed, MediaRing Ltd, Bluedot Communications Pte Ltd, Xintel Sdn Bhd, and Axis Technologies Solutions. Together with PLDT Global Corporation from the Philippines, these new customers were secured as a result of our existing sales and suppliers' network. In FY2002, we penetrated new geographical markets and secured new customers such as Global Telecom, a major telco from Pakistan and Advanced Info Service, a leading GSM mobile operator in Thailand. Part of our increase in sales to MediaCliq Sdn Bhd, DNA Communications Pte Ltd, and Radius-Ed were attributable to the introduction of our new product MExLink in the second half of FY2002.

Sales generated from the Distribution segment decreased by S$0.9 million, or 16.3%, from S$5.7 million in FY2001 to S$4.8 million in FY2002, resulting from the increasingly competitive operating environment. In the light of the decline in absolute terms, our average order size decreased from approximately S$30,000 in FY2001 to approximately S$20,000 in FY2002, even though our customer list remained relatively constant at 214 for both financial years.

Gross profit

Gross profit increased by S$1.6 million from S$13.8 million in FY2001 to S$15.4 million in FY2002 which was in line with an increase in business actitivity. Our average gross profit margin decreased from 56.7% in FY2001 to 54.5% in FY2002.

The Proprietary Solutions business recorded a decrease in the profit margin from 66.5% in FY2001 to 60.5% in FY2002 despite an increase in gross profit. The decrease in gross profit margin was attributable to projects in FY2002 generally having a higher proportion of third party hardware and software than projects in FY2001. Sales contribution by projects with higher gross profit margins made up approximately two-thirds of total Proprietary Solutions sales in FY2001 as compared to one-third of total Proprietary Solutions sales in FY2002.

In line with the corresponding decrease in sales from the Distribution business, our gross profits recorded by this segment declined by S$0.2 million or 16.7% from S$1.4 million in FY2001 to S$1.2 million in FY2002. Notwithstanding the reduction in volume of sales, we were able to maintain our gross profit margins at 24.7% in FY2002 for the Distribution business, a marginal decrease from 24.8% in FY2001 as the range of products sold in FY2002 was similar to the range of products sold in FY2001.

Technical support expenses

Technical support expenses increased by S$0.9 million or 50.1%, from $1.8 million in FY2001 to S$2.7 million in FY2002. This was mainly attributable to the increase in technical support staff headcount from 38 in FY2001 to 58 in FY2002, which resulted in a corresponding increase in staff and related costs by S$0.4 million, or 30.0%. Further, to accommodate our larger work force and operations, we moved into larger office premises, resulting in an increase in rental costs of S$0.1 million as well as an increase in depreciation costs of S$0.1 million. Technical support expenses incurred in FY2002 also included our China subsidiary's technical office expenses comprising mainly staff and rental cost of S$0.2 million. This subsidiary was disposed of in FY2002.

Distribution costs

Our Distribution costs increased by S$1.1 million, or 149.7% from S$0.7 million in FY2001 to S$1.8 million in FY2002. This was mainly attributable to payroll and related costs which increased by S$0.8 million from S$0.6 million in FY2001 to S$1.4 million in FY2002 attributable to an increase in staff headcount from 18 in FY2001 to 32 in FY2002. Other sales-related expenses such as exhibitions and promotional expenses increased by S$90,000. Our offices in Malaysia and the Philippines were relocated to larger premises to accommodate our expanded staff strength and hence our rental costs increased by S$0.2 million.

Administrative expenses

Administrative expenses decreased by approximately S$0.2 million, or 9.1%, from S$2.3 million in FY2001 to S$2.1 million in FY2002. In FY2001, we provided for specific doubtful debts in respect of a customer undergoing liquidation, as well as for disputes over customers' receivables amounting to approximately S$0.3 million in aggregate. In addition, consultancy fees were paid in FY2001 amounting to S$0.1 million. The decrease in administrative expenses was offset by an increase in depreciation costs of S$0.1 million, which was in line with our office expansion and pre-incorporation expenses incurred with respect to our subsidiary in China.

Finance income/(costs)

Commencing in FY2002, finance costs were incurred in respect of interest charges on our trade lines and overdraft facilities, nonetheless there was no significant change in finance income from FY2001 to FY2002.

Other operating income

Other operating income increased by approximately S$0.5 million from approximately nil in FY2001 to S$0.5 million in FY2002. This can be attributed to a net foreign exchange gain of S$0.1 million, and a gain on disposal of assets of $0.2 million. In FY2002, we wrote-back doubtful debts recovered amounting to S$0.2 million which was previously provided for disputed customers' receivables.

Profit before tax

Profit before tax increased by S$0.6 million from S$8.9 million in FY2001 to S$9.6 million in FY2002. This resulted from the aggregate increases in gross profit and other operating income which was partially offset by the increase in technical support expenses and distribution costs. Profit before tax margin decreased from 36.7% in FY2001 to 33.8% in FY2002. The decrease in gross profit margin was attributable to projects in FY2002 generally having a higher proportion of third party hardware and software than projects in FY2001. Profits generated from the Proprietary Solutions business increased by S$1.0 million as a result of increased sales offset by a lower gross profit margin in this business segment. The resultant profit before tax margin decreased from 43.9% in FY2001 to 38.9% in FY2002. Profits generated from the Distribution business decreased by S$0.4 million as a result of decreased sales and a marginally lower gross profit margin in this business segment. The resultant profit before tax margin decreased from 13.3% in FY2001 to 8.5% in FY2002.

Profit after tax

Profit after tax increased by S$0.7 million from S$8.3 million in FY2001 to S$9.0 million in FY2002. Tax expense decreased from S$0.7 million in FY2001 to S$0.6 million in FY2002 due to higher profit contribution from Unified Malaysia which enjoyed MSC pioneer status.

1H2002 to 1H2003

Sales

Our sales increased by S$2.0 million, or 18.8%, from S$10.8 million in 1H2002 to S$12.8 million in 1H2003. The Proprietary Solutions business recorded an increase of S$1.7 million, or 20.4%, from S$8.3 million in 1H2002 to S$10.0 million in 1H2003. The number of projects we worked on increased from 31 in 1H2002 to 62 in 1H2003, while the average project size decreased from S$0.3 million in 1H2002 to S$0.2 million in 1H2003, as there were more projects for smaller SPs. Following the trends in FY2001 and FY2002, we secured projects from new customers in Malaysia such as My Tele Pacific Sdn. Bhd., Morrison Resources Sdn. Bhd., Pact Zone Digital Sdn. Bhd. and from Indonesia such as PT Connexia Makmur Jaya and PT Andalan Seker Makmur and JustCom Pte Ltd from Singapore in 1H2003, and derived sales from the existing projects awarded in FY2002, such as PLDT in the Philippines and Global Telecom in Pakistan. We also secured new contracts from existing customers such as MediaCliq Sdn Bhd in 1H2003. Our sales to Greater China increased mainly due to sales to China Telecom in the PRC. The decrease in sales to North America was a result of our Group not having projects in 1H2003 of similar size to the projects with Vocom International Telecommunications in the US during 1H2002.

Sales from our Distribution business increased by S$0.4 million, or 13.6%, from S$2.4 million in 1H2002 to S$2.8 million in 1H2003. The number of customers increased from 128 in 1H2002 to 139 in 1H2003 and the average order size did not change significantly and remained at S$0.02 million. This is partially attributable to our master reseller strategy which was introduced to strengthen our distribution channels and seek recurrent sales. After our appointment as authorised reseller for Quintum Technologies' VoIP products in October 2002, our increased focus on this product range also contributed to the increase in sales from our Distribution business.

Gross profit

Our gross profit increased by S$1.7 million, or 31.3%, from S$5.6 million in 1H2002 to S$7.4 million in 1H2003. Our average gross profit margin increased from 52.2% in 1H2002 to 57.6% in 1H2003.

Gross profit attributable to our Proprietary Solutions business increased from S$5.2 million in 1H2002 to S$6.5 million in 1H2003. The gross profit margin for our Proprietary Solutions business increased from 62.1% in 1H2002 to 65.1% in 1H2003. Sales contribution by projects with a higher proportion of in-house software content made up more than half of total Proprietary Solutions sales in 1H2003 as compared to one-third of total Proprietary Solutions sales in 1H2002.

Gross profit attributable to our Distribution business increased by S$0.4 million or 80.0% from S$0.5 million in 1H2002 to S$0.9 million in 1H2003. The gross profit margin of our Distribution business increased from 21.4% in 1H2002 to 32.6% in 1H2003. This was attributable to an increase of sales of higher margin telecommunication equipment in 1H2003 as compared to 1H2002.

Technical support expenses

Technical support expenses increased by S$0.5 million, or 45.8%, from S$0.9 million in 1H2002 to S$1.4 million in 1H2003. This was mainly attributable to the increase in technical support headcount from 43 in 1H2002 to 71 in 1H2003. Technical support staff and related costs increased by approximately S$0.2 million, or 45.0%, from S$0.6 million in 1H2002 to S$0.8 million in 1H2003. Rental costs increased by S$0.1 million due to the relocation of our Malaysian office in the second half of 2002.

Distribution costs

Our Distribution costs increased by S$0.6 million, or 71.3%, from S$0.8 million in 1H2002 to S$1.4 million in 1H2003. This was attributable to the increase in payroll and related costs amounting to S$0.5 million from S$0.6 million in 1H2002 to S$1.1 million in 1H2003 and an increase in staff headcount from 28 in 1H2002 to 52 in 1H2003. Rental costs recorded an increase of approximately S$70,000 from S$50,000 in 1H2002 to S$0.1 million in 1H2003, in line with the relocation of our Malaysia office in the second half of 2002.

Administrative expenses

Administrative expenses increased by S$0.2 million, or 17.3%, from S$0.8 million in 1H2002 to S$1.0 million in 1H2003. Depreciation costs increased by S$0.1 million as a result of the relocation of our Malaysian office premises in the second half of 2002 and increase in foreign exchange losses amounting to S$0.1 million were incurred in 1H2003. The increase in administrative expenses was offset by a reduction in payroll and related costs by S$0.1 million from S$0.4 million in 1H2002 to S$0.3 million in 1H2003, as a result of a decrease in administrative staff headcount from 20 in 1H2002 to 18 in 1H2003 as staff were transferred to other departments.

Finance income/(costs)

Commencing in the second half of FY2002, finance costs were incurred in respect of interest charges on our trade lines and overdraft facilities, nonetheless there was no significant change in finance income/(costs) from 1H2002 to 1H2003.

Other operating income

Other operating income decreased by $0.1 million, or 67.1%, from $0.2 million in 1H2002 to approximately S$50,000 in 1H2003. In 1H2002, our other operating income was mainly attributable to a write back of provision for doubtful debts amounting to S$0.1 million arising from a dispute with a customer. In 1H2003, our other operating income was mainly attributable to a gain on the disposal of plant and equipment amounting to approximately S$40,000.

Profit before tax

Profit before tax increased by S$0.5 million, or 14.8%, from S$3.2 million in 1H2002 to S$3.7 million in 1H2003. The increase in gross profit was largely offset by the fall in other operating income and the increases in our technical support expenses, distribution costs, administrative expenses and finance costs. Profit before tax margin decreased from 29.8% in 1H2002 to 28.8% in 1H2003.

Profit after tax

Profit after tax increased by S$0.5 million, or 19.5%, from S$2.9 million in 1H2002 to S$3.4 million in 1H2003. Tax expense decreased by $0.1 million from $0.3 million in 1H2002 to $0.2 million in 1H2003 due to higher profit contributed by Unified Malaysia which enjoyed MSC pioneer status.

REVIEW OF FINANCIAL POSITION

Plant and Equipment

Our plant and equipment as at 31 December 2002 had a net book value of S$2.8 million which comprised mainly office equipment, furniture and renovations amounting to approximately S$0.6 million, computers amounting to S$0.3 million, telecommunications and development equipment amounting to S$1.9 million and motor vehicles amounting to approximately S$20,000.

Our plant and equipment increased by S$0.2 million, or 7.4%, to S$3.0 million as at 30 June 2003. The increase was mainly attributable to the purchase of office equipment amounting to $0.2 million, computers amounting to $0.2 million and motor vehicles amounting to S$0.3 million. This was offset by depreciation costs of S$0.4 million. This is in line with the relocation of our Malaysian office premises to a larger office in the second half of 2002.

Current assets

Our current assets as at 31 December 2002 amounted to S$22.8 million and comprised cash and cash equivalents of S$2.5 million, deposits placed with financial institutions of S$1.1 million, trade and other receivables of S$12.7 million, contract work-in-progress of S$0.3 million, inventories of S$5.9 million and other current assets of S$0.4 million.

Current assets increased by S$2.7 million, or 11.9%, to S$25.5 million as at 30 June 2003. This was mainly attributable to an increase of S$2.8 million in trade debtors, due to slower payments from our customers as our trade debtor turnover increased from 129 days to 198 days, as further described in the section entitled ''Credit Management'' on page 82 of this Prospectus. As a result, trade and other receivables increased to S$15.7 million as at 30 June 2003. In addition, there was an increase in inventory of S$0.3 million to $6.2 million as at 30 June 2003. Further, contract-work-in-progress increased by S$1.0 million to S$1.3 million as at 30 June 2003. The increase in contract work-in-progress was due to increased business activity during the period from 31 December 2002 to 30 June 2003. The Group had three projects in hand as at 31 December 2002, as compared to 13 projects in hand as at 30 June 2003. Other current assets increased from S$0.4 million to S$0.7 million as at 30 June 2003. These were offset by the decrease in cash and cash equivalents of S$1.6 million to S$0.9 million as at 30 June 2003 and the decrease in deposits placed with financial institutions of approximately S$0.2 million to $0.9 million as at 30 June 2003.

Current liabilities

Our current liabilities as at 31 December 2002 amounted to S$6.0 million and comprised trade and other payables of S$5.3 million, current tax of S$0.7 million, and short-term borrowings of S$0.1 million.

Current liabilities decreased by S$0.6 million to S$5.5 million as at 30 June 2003. This was primarily due to a decrease of S$1.0 million in trade and other payables to S$4.2 million. Further, there was a decrease in current tax of S$0.2 million to S$0.5 million as at 30 June 2003. This was mainly offset by an increase in short term borrowings of S$0.6 million to S$0.7 million as at 30 June 2003.

Non-current liabilities

Our non-current liabilities as at 31 December 2002 amounted to S$0.4 million and comprised deferred tax liabilities of S$0.3 million and secured borrowings of S$0.1 million.

Non-current liabilities increased by S$0.1 million to S$0.5 million as at 30 June 2003, which was mainly attributable to the addition of a motor vehicle under hire purchase of S$0.2 million and offset by a decrease in secured borrowings to S$0.1 million.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity is derived from net cash flows from our operations and the utilisation of bank borrowings. We have in the past also utilised advances from our Executive Director, to help finance our working capital and capital expenditure requirements.

The following table sets out a summary of our proforma cash flow for FY2002 and 1H2003:–

(S$'000)	**FY2002**	**1H2003**
Net cash generated from/(used in) operating activities	3,656	(1,661)
Net cash used in investing activities	(1,014)	(594)
Net cash (used in)/generated from financing activities	(1,369)	655
Net increase/(decrease) in cash and cash equivalents	1,273	(1,600)
Cash and cash equivalents at beginning of year/period	1,224	2,497
Cash and cash equivalents at end of year/period	2,497	897

Cash generated from operations relate to our Proprietary Solutions and Distribution businesses. Our main uses of cash have been for the purchase of third party hardware and software from our suppliers. Our other use of cash is for the payment of capital expenditure, including third party hardware and software purchased for software and system development purposes and operating expenses. As at the Latest Practicable Date, we had cash and cash equivalents of S$0.9 million comprising cash on hand and bank balances, net of bank overdrafts.

FY2002

In FY2002, we generated cash from operating activities before working capital changes of S$9.5 million. Due to net cash used in working capital of S$5.2 million and tax payments amounting to S$0.6 million, we recorded a net cash inflow from operating activities of S$3.7 million. Cash used in working capital was mainly due to the increase in receivables by S$5.2 million and the net increase in inventories and work in progress by S$0.9 million. These were offset by an increase in payables amounting to $0.9 million.

Net cash used in investment activities of S$1.0 million was primarily due to the addition of S$1.3 million of plant and equipment comprising mainly telecommunications equipment. This was offset by the proceeds from disposal of plant and equipment amounting to S$0.3 million.

Net cash used in financing activities of S$1.4 million was mainly attributable to fixed deposits of S$1.1 million pledged with banks for the utilisation of banking facilities and the repayment of advances owing to our Executive Director amounting to S$0.5 million. The cash outflows from financing activities were partially offset by proceeds from a term loan of S$0.2 million.

1H2003

From 1 January 2003 to 30 June 2003, we generated cash from operating activities before working capital changes of S$4.3 million. Due to net cash used for working capital amounting to S$5.4 million and payment for tax of S$0.5 million, the resultant net cash outflow from operating activities was S$1.7 million. The working capital changes were mainly attributable to the increase in receivables balance of S$3.0 million, other assets of S$0.3 million, inventories and work-in-progress balances of S$1.3 million, and a reduction in payables of S$0.9 million.

We recorded a net outflow from investing activities of S$0.6 million due to the purchase of office equipment and motor vehicles totalling S$0.7 million, offset by proceeds from the disposal of plant and equipment of S$0.1 million. We also generated a net inflow from our financing activities of S$0.7 million attributable to funds inflow from short-term borrowings and proceeds from hire purchase totalling S$0.8 million. Further, there was a reduction in deposits pledged with financial institutions of S$0.2 million. These were offset by the repayment of a loan to our Executive Director of S$0.4 million. As a result, our cash and cash equivalents decreased by S$1.6 million from S$2.5 million as at 31 December 2002 to S$0.9 million as at 30 June 2003.

As at the Latest Practicable Date, our Group had access to banking facilities from DBS Bank Ltd, Bumiputra-Commerce Bank Berhad and Hong Leong Finance Limited amounting to approximately S$4.4 million as follows:–

('000)	**Currency**	**Available**	**Utilised**	**Unutilised**
DBS Bank Ltd[1]	S$			
— Overdraft limit		200	65	135
— Trade lines limit		900	870	30
— Foreign exchange lines limit		200	—	200
Bumiputra-Commerce Bank Berhad[2]	RM			
— Overdraft limit		500	67	433
— Term loan limit		2,400	366	2,034
— Multi option lines limit		2,800	2,636	164
Hong Leong Finance Limited[3]	S$			
— Trade lines limit		500	—	500
Total	S$[4]	4,364	2,316	2,049

Notes:–

(1) These facilities are secured by fixed deposits and a personal guarantee by our Executive Director. The rate for the overdraft facility is calculated based on 1.5% above the prime rate. The rate for the trade and foreign exchange facilities is calculated based on 1.25% above the prime rate. As at the Latest Practicable Date, the prime rate was 4.25%.

(2) These facilities are secured by: (i) fixed deposits; (ii) debenture charge on Unified Malaysia's present and future fixed and floating assets; (iii) guarantee from Linear Corporation and the directors of Unified Malaysia. The first term loan drawn down of approximately S$0.25 million commenced repayment in November 2002 and is repayable over 42 months at a rate of 7.75% per annum. The rate for the overdraft and multi option facilities is calculated based on 1.50% above the base lending rate. The rate for the term loan facility is calculated based on 1.75% above the base lending rate. As at the Latest Practicable Date, the base lending rate was 6.00%.

(3) These facilities are secured by a corporate guarantee from Unified Singapore. The rate for the trade facility is calculated based on 0.50% above the prime rate. As at the Latest Practicable Date, the prime rate was 4.75%.

(4) Based on an exchange rate of S$1 : RM2.223 as at the Latest Practicable Date.

As at the Latest Practicable Date, our total credit facilities unutilised amounted to approximately S$2.0 million and our cash and cash equivalents were approximately S$0.9 million. Our Directors are of the opinion that, after taking into account existing unutilised banking facilities available and our cash and cash equivalents, our Group has adequate working capital to meet its present requirements.

Our Executive Director, Linear Corporation and the directors of Unified Malaysia have discussed with DBS Bank Ltd and Bumiputra-Commerce Bank Berhad on the release of their personal and corporate guarantees upon listing and quotation of our Shares on the SGX-ST. Based on the discussions and barring any unforeseen circumstances, our Directors believe that we will be able to secure adequate banking facilities on the same or more favourable terms. Please refer to the section entitled "Capitalisation and Indebtedness" on pages 60 and 61 of this Prospectus for further details.

In October 2003, Unified Malaysia acquired from Panasino Inc. the rights to certain intellectual property, including RadiusXChange and associated software relating to mobile data solutions. The aggregate consideration payable for the intellectual property rights is RM8.3 million, of which RM0.3 million was paid upon execution of the acquisition agreement and the balance RM8.0 million being payable within three months from the date Unified Malaysia achieves sales proceeds of not less than RM3.5 million in aggregate from contracts (including licensing, royalty and leasing arrangements) involving such intellectual property. Payment of the balance RM8.0 million is expected to be made from our Group's internal funds.

As at the Latest Practicable Date, we have no other significant capital commitments.

Capital expenditure

Our major capital expenditure in the period under review relate mainly to our acquisition of additional plant and equipment comprising telecommunication and development equipment, office equipment, furniture, renovations and motor vehicles. The purchase of additional plant and equipment was financed mainly by funds generated by our business operations and advances from a Shareholder. In FY2002, we purchased furniture and equipment for our new office in Malaysia at an aggregate cost of S$0.2 million, under a non-cancellable operating lease arrangement. The lease terms are for periods of two years with an option to purchase at the end of the term based on prevailing market price. In 1H2003, we purchased a motor vehicle for the use by one of our Directors at an aggregate cost of S$0.3 million, which was partly financed under a hire purchase arrangement of S$0.2 million repayable over five years.

FOREIGN CURRENCY EXCHANGE EXPOSURE AND MANAGEMENT

We are exposed to foreign currency exchange fluctuations in respect of our transactions and in preparing our consolidated financial statements. Foreign currency exchange fluctuations may adversely and materially affect our financial results.

The percentage of our Group's sales, purchases and operating expenses in US$, S$ and other currencies for FY2000, FY2001, FY2002 and 1H2003 are as follows:–

% of sales denominated in:	**FY2000**	**FY2001**	**FY2002**	**1H2003**
US$	68.3	77.6	69.1	56.3
S$	12.6	9.5	13.6	9.7
Others[(1)]	19.1	12.9	17.3	34
	100%	100%	100%	100%

Note:–

(1) Currencies categorised under "Others" include the RM, Brunei Dollar and Pound Sterling.

Our sales denominated in US$ mainly relate to sales derived from the Philippines and the US.

% of purchases denominated in:	**FY2000**	**FY2001**	**FY2002**	**1H2003**
US$	88.9	91.0	85.8	86.4
S$	1.6	5.9	6.1	8.0
Others[(1)]	9.5	3.1	8.1	5.6
	100%	100%	100%	100%

Note:–

(1) Currencies categorised under "Others" include the RM, Brunei Dollar and Pound Sterling.

Trade purchases mainly relate to the purchase of telecommunications-related products and third parties' software, industrial-grade computers and related peripherals for our Proprietary Solutions and Distribution businesses. The majority of these purchases are sourced overseas and denominated in US$.

% of operating expenses denominated in:	**FY2000**	**FY2001**	**FY2002**	**1H2003**
S$	49.2	56.5	46.7	50.4
RM	46.7	37.2	43.2	38.1
Others[(1)]	4.1	6.3	10.1	11.5
	100%	100%	100%	100%

Note:–

(1) Currencies categorised under "Others" mainly include the Philippines Peso, US$ and Brunei Dollar. This relates mostly to our Philippines representative office expenses, overseas travel expenses and allowances.

For FY2000, FY2001, FY2002 and 1H2003, the net foreign exchange gains/(losses) are as follows:–

Net foreign exchange gains/(losses)	**FY2000**	**FY2001**	**FY2002**	**1H2003**
Net gains/(losses) (S$'000)	(7.6)	(1.0)	91.3	(99.0)
As a % to profit before tax	0.34	0.01	0.96	(2.7)
As a % to sales	0.07	n.m.	0.32	(0.8)

Note:–

n.m. — "not meaningful".

To minimise our Group's exposure to foreign currency exchange fluctuations in relation to our trade purchases which are denominated in US$, our sales earned outside Singapore and Malaysia are denominated in US$. As a result, we are exposed to unhedged US$ trade debtors and US$ trade creditors. Currently, we maintain all US$ receipts in US$ bank accounts to repay US$ trade creditors so as to minimise our US$ foreign currency exchange exposure against the S$. For our Malaysian entities, since the RM is pegged to the US$, any foreign currency exchange exposure risk is minimal, assuming that there are no changes to the existing Malaysian currency pegging policy. Our main operating expenses are denominated in the functional currencies of our two main operating entities, the S$ and RM. Fluctuations between S$ and US$ and between S$ and RM may have a significant impact on our Group's reported earnings.

We prepare our Group's financial statements in S$, our reporting currency, by translating the assets and liabilities of our foreign subsidiaries into S$ at the prevailing exchange rates on the balance sheet date and the results of these subsidiaries are translated using the average exchange rates for the financial year. If the exchange differences arising from the translations are material, the shareholders' equity as shown in our consolidated financial statements may be adversely affected. While our past foreign exchange gains/(losses) have not been material, we will continue to monitor the foreign currency exchange exposure and consider the usage of hedging instruments should the need arise.

SEASONALITY

Our business is seasonal in nature as we are exposed to the budgeting and expenditure cycle of our customers. As most of our customers plan their budget at the beginning of the year, we normally receive a higher level of orders in the second half of the financial year. In particular for FY2000, FY2001 and FY2002, our Proprietary Solutions business was subject to significant seasonality, with an average of approximately 73% of our total annual sales being recognised in the second half of the year. For our Distribution business, we recognised an average of approximately 55% of our full year sales in the second half of the year for FY2000, FY2001 and FY2002.

The seasonal trends for our Proprietary Solutions and Distribution businesses are as follows:–

Proprietary Solutions

	FY2000		**FY2001**		**FY2002**	
	(S$'000)	**%**	**(S$'000)**	**%**	**(S$'000)**	**%**
1st half	597	13.7	5,414	29.0	8,314	35.7
2nd half	3,766	86.3	13,243	71.0	15,193	64.3
Total	4,363	100.0	18,657	100.0	23,507	100.0

Distribution

	FY2000		**FY2001**		**FY2002**	
	(S$'000)	**%**	**(S$'000)**	**%**	**(S$'000)**	**%**
1st half	3,249	46.5	2,198	38.5	2,445	51.2
2nd half	3,733	53.5	3,513	61.5	2,334	48.8
Total	6,982	100.0	5,711	100.0	4,779	100.0

CAPITALISATION AND INDEBTEDNESS

You should read this table in conjunction with our Proforma Group Financial Statements set out in sections entitled "Summary of Proforma Financial Information of our Group" and "Management's Discussion and Analysis of Result of Operations and Financial Position" on pages 40 and 41 and 42 to 59 respectively of this Prospectus.

The following table shows our cash and cash equivalents, and capitalisation and indebtedness as at 30 June 2003 on an actual basis and after adjusting for:–

(i) the Restructuring Exercise; and

(ii) the Restructuring Exercise, the issue of New Shares pursuant to the Invitation and the net proceeds from the Invitation.

	As at 30 June 2003 on an actual basis (S$)	After adjusting for the Restructuring Exercise (S$'000)	After adjusting for the Restructuring Exercise, the issue of New Shares pursuant to the Invitation and the net proceeds from the Invitation (S$'000)
Cash and cash equivalents	*n.m.*(1)	897	10,338
Indebtedness			
Current			
Bills payables (guaranteed and secured)	—	633	633
Hire purchase	—	41	41
Term loans (guaranteed and secured)	—	92	92
Non-current			
Hire purchase	—	152	152
Term loans (guaranteed and secured)		109	109
Total indebtedness	—	1,027	1,027
Shareholders' equity			
Share capital	*n.m.*(2)	22,526	25,566
Share premium	—	—	6,401
Total shareholders' equity	*n.m.*(2)	22,526	31,967
TOTAL CAPITALISATION & INDEBTEDNESS	*n.m.*(2)	23,553	32,994

Notes:–

(1) Cash and cash equivalents of S$2.

(2) Two ordinary shares of S$1 each.

n.m. — "not meaningful".

Our operating lease commitments as at the Latest Practicable Date comprised S$0.6 million due not later than one financial year and S$0.5 million due later than one financial year but not later than five financial years.

As at the Latest Practicable Date, our cash and cash equivalents were approximately S$0.9 million.

As at the Latest Practicable Date, our current bills payables (guaranteed and secured) were approximately S$2.3 million, our current hire purchase liabilities were approximately S$39,000 and our current term loans (guaranteed and secured) were approximately S$89,000. As at the Latest Practicable Date, our non-current hire purchase liabilities were approximately S$0.1 million and our non-current term loans (guaranteed and secured) were approximately S$76,000. Save for the foregoing and the changes in our retained earnings arising from our day-to-day operations, there were no material changes in our capitalisation and indebtedness from 30 June 2003 to the Latest Practicable Date.

Save as disclosed above and on page 56, our Company and our subsidiaries have no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, obligations under finance leases, guarantees or other material contingent liabilities as at the Latest Practicable Date.

DILUTION

Dilution is the amount by which the Invitation Price to be paid by the subscribers of our New Shares pursuant to the Invitation exceeds our NTA per Share after the Invitation. The Proforma NTA per share as at 30 June 2003, after adjusting for the Restructuring Exercise, but before adjusting for the net proceeds from the Invitation and based on the pre-Invitation issued and paid-up share capital of 281,572,675 Shares, is approximately 8.00 cents per Share.

Pursuant to the Invitation in respect of 38,000,000 New Shares at the Invitation Price, our NTA per Share as at 30 June 2003, adjusted for the estimated net proceeds of the Invitation would be 10.00 cents. This represents an immediate increase in NTA of 2.00 cents per Share to existing Shareholders and an immediate dilution in NTA of 18.00 cents per Share or 64.3% of the Invitation Price for new public investors.

The following table illustrates the dilution per Share:–

Invitation Price per Share	28.00 cents
NTA per share as at 30 June 2003 after adjusting for the Restructuring Exercise based on our Company's pre-Invitation share capital of 281,572,675 Shares	8.00 cents
Increase in NTA per Share attributable to new public investors	2.00 cents
NTA per Share after the Invitation	10.00 cents
Dilution in NTA per Share to the new public investors	18.00 cents
Dilution in NTA per Share to new public investors as a percentage of the Invitation Price	64.3%

The following table summarises the total number of Shares acquired by the existing Shareholders of our Company and the Pre-IPO Investors, and the total number of Shares issued by us since the incorporation of our Company up to the Latest Practicable Date, the total consideration paid and the average price paid per Share by the existing Shareholders, the Pre-IPO Investors and our new investors pursuant to the Invitation:–

	Shares		Amount		Average price per share
	Number	**%**	**S$**	**%**	**cents**
Existing Shareholders	205,357,268	64.3	17,280,958	35.9	8.4[(1)]
Pre-IPO investors	40,715,407	12.7	10,260,283	21.3	25.2
New investors	73,500,000	23.0	20,580,000	42.8	28.0

Note:–

(1) Includes the purchase of 4,955,679 Shares by our Executive Director from Primeace Holdings pursuant to the Investment Agreement made between the parties.

PROPERTIES AND FIXED ASSETS

Our Group does not own any landed property. We currently rent and/or have been licensed to occupy the following premises:–

Location and Description of Premises	Built-up Area (sq. ft.)	Tenure of Lease	Annual Rental (Inclusive of Service Charges)	Lessor
Premises leased by Unified Singapore:				
390 Havelock Road #04-05/06 and #04-02/03 King's Centre Singapore 169662 (Office premises)	6,545	3 years commencing from 16 December 2003 to 15 December 2006	S$235,620	City Developments Limited
22 Malacca Street #12-00 Royal Brothers Building Singapore 048980 (Office premises)	3,648	3 years commencing from 15 September 2001 to 14 September 2004	S$162,000	Royal Brothers Development Pte Ltd
Premises leased by Unified Malaysia:				
Unit No. F12 First Floor Block 3 (2320) Century Square Cyberjaya Selangor Darul Ehsan Malaysia (Office premises)	1,983	2 years commencing 1 October 2003 to 30 September 2005	RM78,527	Cyberview Lodge Sdn Bhd
E-06-21 Plaza Mont'Kiara 2 Jalan 1/70C Mont'Kiara 50480 Kuala Lumpur Malaysia (Office premises)	1,554	2 years commencing 1 February 2003 to 31 January 2005. Renewable for a further period of 2 years.	RM37,200	SPW Group Sdn Bhd
Level 3A (Annexe Block) Menara Milenium 8 Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Malaysia (Office premises)	12,290	No fixed term	RM479,310	Advance Synergy Capital Berhad(1)
Premises leased by Unified Hong Kong:				
Unit No. 1902 19th Floor Asia Orient Tower No. 33 Lockhart Road Hong Kong (Office premises)	1,020	No fixed term	HK$187,008.48	icontaQ Hong Kong Limited(2)

Location and Description of Premises	Built-up Area (sq. ft.)	Tenure of Lease	Annual Rental (Inclusive of Service Charges)	Lessor
19F Tower 2 The Enterprise Centre 6766 Ayala Avenue corner Paseo de Roxas Makati City, Philippines (Office premises)	2,500	22 months commencing 27 January 2003 and ending on 28 October 2004	Php2,539,653.72	Lucent Technologies Philippines, Inc.

Notes:–

(1) Advance Synergy Capital Berhad is a subsidiary of Advance Synergy, which in turn holds all of the issued and paid-up share capital of Worldwide Matrix, the Controlling Shareholder of our Company and a Vendor.

(2) Our Executive Director is a director and shareholder of icontaQ Hong Kong Limited.

The properties described above consist of commercial premises.

We are also leasing a property of 2,261 sq. ft. at #113, 11th Floor, No. 34, Phaholyothin Road, Soi 7 (Soi Aree), Kwaeng Samsennai, Khet Phya Thai, Bangkok 10400 from Krisnayos Company Limited for use as accommodation for our staff in Bangkok. The tenure of the lease is one year commencing 1 September 2003 to 31 August 2004 and the annual rental (inclusive of service charges) is Baht 581,355.

Our plant and equipment comprise mainly office equipment, furniture and renovations, telecommunications and development equipment, computers and motor vehicles with a net book value of S$3.0 million as at 30 June 2003.

DIVIDEND POLICY

We currently do not have a fixed dividend policy. For FY2002, Unified Singapore and Unified Malaysia declared a final gross dividend of an aggregate amount of S$0.3 million (equivalent to a net dividend of an aggregate amount of S$0.2 million).

In the event that we decide to declare dividends, such dividends will be declared on an annual basis with the approval of the Shareholders in a general meeting, but the amount of such dividends shall not exceed the amount recommended by the Directors. The Directors may also declare an interim dividend without seeking Shareholders' approval.

Future dividends will be paid by us as and when approved by our Directors and, if required, our Shareholders. Any such dividend payments will be subject to the level of our future earnings, cash flow, financial condition, projected levels of capital expenditures and investment plans, including such legal or contractual restrictions as may apply from time to time. Therefore, there can be no assurance that dividends will be paid in the future or as to the amount or timing of any dividends that are to be paid in the future.

For information relating to taxes payable on dividends, please refer to Appendix G to this Prospectus.

HISTORY

Our Group was founded on 24 March 1998 with the incorporation of Unified Malaysia, whose principal activities were software and systems development, as well as development of customised telecommunications solutions and distribution of telecommunications products. The founder of our Group, our CEO, Wong Tze Leng, saw the opportunity to provide customised telecommunications solutions to both incumbent telecommunications service providers as well as new industry players who were rapidly entering the market due to the deregulation of the telecommunications industry in the ASEAN region. The emergence of new technologies, such as VoIP, the trend towards cheaper voice and fax communication services and the acceptance of pre-paid modes of voice communications were other key contributing factors leading to our Group's establishment, as our Executive Director felt that he could assemble a team of persons who would be well-placed to leverage on their collective software and system research and development capabilities to provide customised telecommunications solutions to meet the changing technological requirements of the industry.

Our Singapore subsidiary, Unified Singapore, was incorporated on 28 May 1998, shortly after the incorporation of Unified Malaysia. Its principal activities were the development of customised telecommunications solutions and the distribution of telecommunications products. Unified Singapore is also the regional marketing and customer services arm of our Group.

Our Group's first such project in July 1998 was the design and development of a customised automated conference call system for Telekom Malaysia, the largest telecommunications company and service provider in Malaysia. This automated conference call system enabled Telekom Malaysia to provide tele-conferencing services to its fixed-line subscribers.

Leveraging on the experience of our Executive Director and our founding members who had extensive experience in the telecommunications industry, our Group has successfully undertaken a number of customised projects, including the development of an intelligent flight information retrieval system at Singapore's Changi Airport for the Civil Aviation Authority of Singapore.

In mid-1998, our Group developed and launched our flagship product, UniLink. UniLink was first installed for a customer in August 1998 when Unified Singapore was commissioned by Hewlett-Packard Singapore to develop a *'click-to-talk'* function for application in the web-based call centre of Keppel Tatlee Bank Limited (as it was then known prior to its merger with Oversea-Chinese Banking Corporation Limited). This feature enabled the bank's customers to speak to its customer service officers online via the Internet by clicking on an icon.

The deregulation and introduction of market competition within the telecommunications sector in Singapore on 1 April 2000 resulted in many new facilities-based and services-based operators emerging in the Singapore market. This larger pool of potential customers provided our Group with greater business opportunities.

In October 2000, Smart Communications, a leading cellular telecommunications service provider in the Philippines, commissioned us to provide a platform for pre-paid mobile telecommunications services.

It was also in 2000 that we ventured beyond our traditional markets in Singapore, Malaysia and the Phillippines by establishing business relationships with Zahid Industries in Saudi Arabia as a channel to penetrate the Middle Eastern market. We secured a sub-contract from Zahid Industries for the supply of an automatic call intercept system to the Saudi Telecommunications Company. In the second half of 2000, we established a business relationship with NCR Corporation in Pakistan as a channel into West Asia. NCR Corporation has awarded us several projects since 2000, mainly for the development of IVR systems.

In October 2000, Linear Corporation via its wholly-owned subsidiary, Primeace Holdings, acquired a 25% interest in each of Unified Malaysia and Unified Singapore from our Executive Director, for a consideration of RM6.9 million. Following the completion of these acquisitions, our Executive Director's stake in each of Unified Malaysia and Unified Singapore was reduced to 75%. Linear Corporation, an investment holding company listed on the Main Board of the KLSE, and through its subsidiaries, is involved in providing heating, ventilation and air-conditioning solutions, manufacturing and distribution of cooling towers, and providing water treatment services.

On 21 December 2000, Unified Malaysia was awarded MSC status by the MDC in Malaysia. The MDC oversees the development of the MSC, which has been designated as a technology hub by the Malaysian Government. Incentives and benefits enjoyed by Unified Malaysia as a MSC-status company include the grant of pioneer status by the Malaysian Government for a period of five years, during which Unified Malaysia enjoys income tax exemption on profits derived from its MSC-qualifying activities in Malaysia. Further information on the MSC as well as the incentives and benefits enjoyed by Unified Malaysia arising from both its MSC and pioneer status are further described in the section entitled "Government Regulations" on pages 116 to 121 of this Prospectus.

In June 2001, we established a representative office in Manila to better serve our customers in the Philippines. On 20 June 2003, the representative office was converted into a branch office of Unified Malaysia.

As our distribution business grew, our management decided in March 2002 to streamline and rationalise our operations by transferring our telecommunications products and components distribution activities to Attrix Singapore and Attrix Malaysia, our wholly-owned subsidiaries in Singapore and Malaysia respectively. As a result, Unified Malaysia and Unified Singapore now focus on software and systems development and the development of customised telecommunications solutions, whilst Attrix Singapore and Attrix Malaysia undertake the distribution of telecommunications products.

Attrix Singapore was appointed a non-exclusive authorised value-added distributor by Intel and Quintum Technologies on 1 March 2002 and 15 November 2002 respectively. As an authorised value-added distributor of telecommunications products and components, Attrix Singapore is authorised to appoint resellers in the territories for which it has been granted distribution rights and is responsible for providing the resellers with sales, technical and logistics support. Attrix Malaysia acts as our authorised reseller for these telecommunications products and components to our customers in Malaysia.

On 29 August 2002, Advance Synergy, via its wholly-owned subsidiary Worldwide Matrix, completed the acquisition of a 70% interest in each of Unified Malaysia and Unified Singapore from our Executive Director, for a consideration of up to RM99 million. This amount is subject to adjustments depending on the satisfaction of certain profit targets[(1)]. As at the Latest Practicable Date, approximately 18% of the consideration remains unpaid by Worldwide Matrix. Should the Group fail to achieve a consolidated profit after tax of RM25.5 million for FY2003, the shortfall in profit will be deducted from the balance consideration payable to our Executive Director. As a result of the acquisitions, our Executive Director's stake in each of Unified Malaysia and Unified Singapore was reduced to 5%. Advance Synergy is an investment holding company listed on the Main Board of the KLSE. Its subsidiaries and associated companies are engaged in the financial services, hotel and leisure, property, transport and manufacturing industries.

Note:–

(1) The profit targets were amongst the conditions negotiated between our Executive Director and Worldwide Matrix, who are Substantial Shareholders of our Company, for the sale of the shares in Unified Malaysia and Unified Singapore. They were not intended to be and should not be construed as a profit forecast in respect of those companies or our Group. As at the Latest Practicable Date, approximately 18% of the consideration remains unpaid by Worldwide Matrix. Should the Group fail to achieve a consolidated profit after tax of RM25.5 million for FY2003, the shortfall in profit will be deducted from the balance consideration payable to our Executive Director.

In November 2002, Unified Singapore was ranked 9th in the Enterprise 50 (E50) Awards, an annual ranking of Singapore's 50 most enterprising private companies, jointly organised by Accenture, an international management consulting and technology services organisation and The Singapore Business Times, with support from the Singapore Economic Development Board and International Enterprise Singapore. Unified Singapore was also named as a Singapore SME 500 company in the Singapore SME 500 2002/2003 awards.

In 2002, we decided to enter the PRC market. As a result, in mid-2002, we incorporated You Kang Xin Da Tong Xun Ji Shu (Beijing) You Xian Gong Si (''You Kang''), a wholly-owned subsidiary of Unified Communications China Pte Ltd (now known as You Kang Pte Ltd) (''Unified China''). In late 2002, our management decided to employ the strategy of using Hong Kong as a gateway to the market in the PRC. Accordingly, Unified Singapore disposed of its entire PRC interests, comprising Unified China and You Kang and in November 2002, Unified Hong Kong became a subsidiary of Unified Singapore. Unified Singapore holds 51% of the total issued share capital of Unified Hong Kong and Adtralink Limited, a Hong Kong-based corporate investor, holds the balance of 49%. Unified Hong Kong is principally engaged in the marketing and sales of our customised telecommunications solutions.

In May 2003, Unified Malaysia beat 226 other entries to win the Golden Bull Awards for being the most outstanding SME in Malaysia. The Golden Bull Awards were organised by Nanyang Siang Pau, a chinese-language national daily newspaper in Malaysia, in collaboration with Nanyang Online and the Asia Pacific Centre for SMEs. The participants were evaluated on criteria such as quality of management, innovation, information technology usage, turnover and profit growth.

In October 2003, Unified Malaysia acquired from Panasino Inc. the rights to certain intellectual property, including RadiusXChange and associated software relating to mobile data solutions, for an aggregate cash consideration of RM8.25 million.

In October 2003, Unified Malaysia entered into a joint venture agreement with Ahead Mobile Inc., a Korean company, to establish Ahead Mobile Sdn. Bhd., a Malaysian company which will engage in the business of providing telecommunications software, services and products. Pursuant to the terms of the joint venture agreement, Unified Malaysia shall subscribe for 152,000 shares in Ahead Mobile Sdn. Bhd. at par, constituting 40% of its entire issued and paid-up capital for an aggregate consideration of RM152,000.

In December 2003, Unified Malaysia was ranked 45th in the Asia Pacific Technology Fast 500 Program by Deloitte Touche Tohmatsu, as one of the fastest growing technology companies in the Asia Pacific in 2003.

We are in the process of establishing a subsidiary in Thailand. Its principal activities will be the development of customised telecommunications solutions and the distribution of telecommunication products in Thailand. We have commenced initial business development activities in Thailand.

BUSINESS

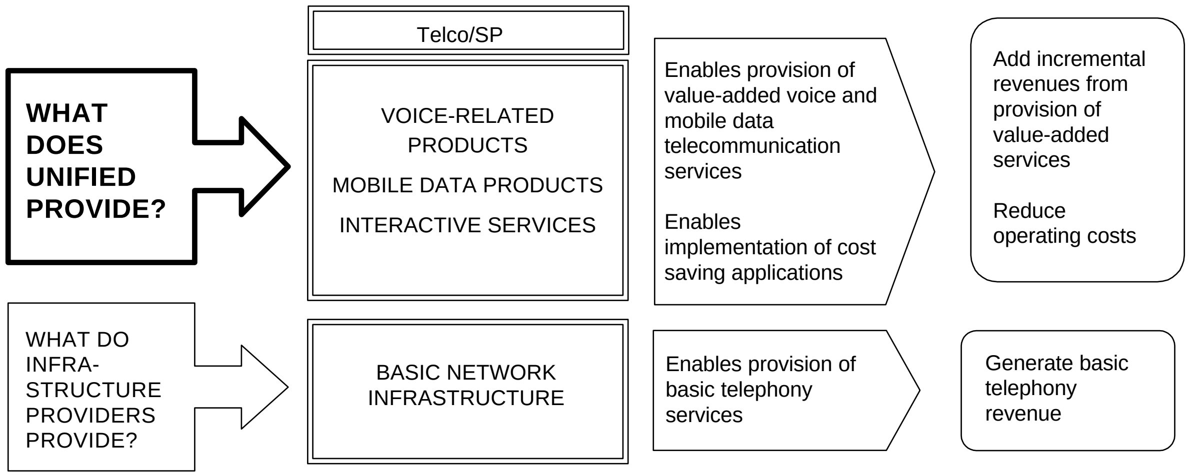
Overview

Our Group is a provider of telecommunications products and customised solutions that enable our customers to:–

(i) take advantage of cost benefits by enhancing their network and product efficiency, availability and reliability; and

(ii) provide resources and capabilities for new products and services beyond basic telephony that enable our customers to gain and maintain a competitive edge.

The industry space for our telecommunications products and customised solutions business can be illustrated by reference to the diagram below:–



Our business activities can be categorised into the following two segments, namely:–

(i) *Proprietary Solutions* — providing telecommunications products and customised solutions using our proprietary platforms, UniLink and MExLink, together with third party software and/or hardware to address specific communications requirements of our customers; and

(ii) *Distribution* — distribution of third party telecommunications products and components.

Our core business is our Proprietary Solutions business which can be categorised into three main product groups, namely, voice-related products, mobile data products and interactive services. Our voice-related products are based on our proprietary platform, UniLink, which allows mobile and fixed-line telcos and SPs to enhance their network and product efficiency and deliver enhanced voice-based telecommunications switching services to their customers. In addition to our voice-related products, we offer a range of mobile data related products based on our proprietary platform, MExLink, which is specially developed to allow mobile telcos and SPs to deliver mobile data applications such as MMS, SMS and USSD, involving technologies such as GSM, GPRS and 3G. In addition to our voice-related and mobile data products, we build interactive dial-in applications for fixed-line and mobile telcos and SPs, and enterprises.

For further information on our technology and resources, refer to the section entitled ''Technology and Resources'' on pages 77 and 78 of this Prospectus.

Our customer base for our Proprietary Solutions business comprises telcos, SPs and enterprises in the ASEAN region, the Middle East, Greater China, the US, West Asia and Indochina. Our telco customers include Singapore Telecommunications in Singapore, Smart Communications and PLDT in the Philippines, Telekom Malaysia, Maxis and DiGi Telecommunications in Malaysia and Advanced Info Service in Thailand. Through sub-contracting arrangements, we have provided products and customised solutions to China Telecom and Saudi Telecommunications Company.

For our Distribution business, we have established distribution relationships with suppliers of computer telephony products, VoIP products and industrial computers, which we distribute to more than 150 customers.

Our vision is to be a developer and key supplier of telecommunications products and customised solutions to telcos, SPs and enterprises in the Asia-Pacific region. Our goal is to assist our customers and business partners in creating, maintaining and increasing their competitive advantage via our products and solutions. For further information as to how we intend to fulfil this vision and take advantage of future opportunities, please refer to the section entitled ''Prospects, Business Strategy and Future Plans'' on pages 87 to 89 of this Prospectus.

Our principal place of business in Singapore is at 390 Havelock Road, #04-06 King's Centre, Singapore 169662 and in Malaysia at Level 3A (Annexe Block), Menara Milenium, 8 Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia. We also have offices in the Phillipines and Hong Kong. We are in the process of setting up operations in Thailand.

Proprietary Solutions Business

Voice-related Products

Basic telephony service involves voice communication between two parties. Telecommunications network infrastructure enables this communication between subscribers through a number of electronic switches interconnected together via high speed links. Voice and telephony signals are exchanged between switches in order to synchronise and complete such two-party communication. In the case of mobile telephony, mobile cells are deployed and interconnected to the switches for communication between mobile subscribers and between mobile and fixed-line subscribers.

As the telecommunications market evolves, operators have developed a number of new and innovative methods of charging and offering these services to their subscribers to increase cost efficiency and improve network utilisation.

Our UniLink platform is a voice switching platform that complements this basic infrastructure and enables operators to deploy new and enhanced voice communication services. Using the UniLink platform, we have developed a number of products and solutions for fixed-line, mobile and VoIP operators. These products tend to be standardised and the provision of these products generally requires limited customisation to conform to our customers' network requirements. For further information on UniLink, please refer to the section entitled ''Technology and Resources'' on pages 77 and 78 of this Prospectus.

We have developed a number of products utilising UniLink that we have installed for both our fixed-line and mobile customers in our principal markets. These products include:–

— *Voice Switching Gateway* — This product enables telcos and SPs to interconnect, originate and terminate long distance calls to one or more voice partners. In addition, this product supports services such as International Simple Resale, which enables the operator to identify and utilise differing rates from a number of different international operators. Call detail records, which can be used for billing, reporting, analysis and settlement purposes, are automatically generated. PLDT Global, a subsidiary of PLDT, the main fixed-line telco in the Phillippines, utilises our voice switching gateway to provide ISR services.

— *Pre-paid/Post-paid Long Distance Calling* — This product enables telcos and SPs to provide pre-paid and post-paid retail long distance calling services. In particular, it allows operators to offer pre-paid calling cards, whereby the charge for the telephone call is deducted from the calling card's balance on a real-time basis during the call. Similarly, with post-paid call services, this product enables the SP's billing system to generate invoices for calls made. DiGi Telecommunications in Malaysia utilises this product to provide its pre-paid IDD call service.

— *Pre-paid Mobile* — This product allows telcos and SPs to provide pre-paid account services to mobile subscribers. When a pre-paid subscriber makes a call, the product authenticates his identity, records the duration of call and deducts the charge from the subscriber's account on a real-time basis. In addition, the product allows the subscriber to check his account balance and top up his pre-paid account. Smart Communications in the Phillippines utilises our pre-paid mobile product to provide "Buddy" and "Text 'N Talk" pre-paid mobile services.

— *Mobile Callback* — This is a product that allows operators to provide international callback services to subscribers when they are roaming overseas. When a subscriber wishes to make an international call from overseas, they use a text message, either through USSD or SMS, to send instructions back to the operator. The operator then originates the call from its home network, avoiding international roaming call rates. In addition to being cheaper for both parties, this allows telcos to offer pre-paid mobile roaming services. Advanced Info Service, a telco offering mobile services in Thailand, utilises our mobile callback product to provide a pre-paid mobile callback service.

— *Personalised Ring Back Tone* — This product enables users to subscribe for personalised ring back tone greetings. When a call is made to the subscriber's number, the caller will hear the personalised ring back tone greeting selected by the subscriber instead of a standard ring tone. KG Telecommuncations Co., Ltd, one of the GSM mobile operators in Taiwan, uses our product to provide personalised ring-back tone services.

Mobile Data Products

Mobile data and messaging services such as SMS and location-based services are gaining popularity and have become increasingly important revenue earners for mobile operators. Advancement in mobile data technologies such as GPRS and 3G which increase the speed of data transmission will enable more value added services such as MMS, mobile internet, gaming, entertainment and commerce services to be made available.

In response to the emergence of these services and technologies, we have developed our proprietary MExLink platform, which enables operators to provide a variety of mobile data services to their subscribers and customers. As with our voice-related products, the provision and installation of our mobile data products generally requires limited customisation.

For further information on MExLink, please refer to the section entitled "Technology and Resources" on pages 77 and 78 of this Prospectus.

Our mobile data products include:–

— *SMS Centre* — This product provides the fundamental infrastructure that enables a mobile network operator to deliver SMS messages to and from mobile subscribers. StarHub Pte Ltd utilises this product to operate its SMS portability services.

— *Welcome SMS* — This product enables mobile telco network operators to push customised SMS messages to incoming roaming subscribers, including welcome messages, tourist information, currency exchange rates and other sales and promotional messages. Digital Stream Technology Communcations Sdn Bhd, the only mobile operator in Brunei, uses our product to provide Welcome SMS services.

— *USSD Gateway* — This product enables mobile network operators to provide their subscribers with the capability to send text messages between mobile phones and an application program in the telco's network. These messages are sent in USSD format, which is faster and cheaper than SMSs. Examples of possible applications include allowing a user to dial a number to receive pre-recorded weather information or to query and top-up the balance of their pre-paid mobile account. Advanced Info Service Public Co. Ltd, utilises our USSD Gateway product to provide such services in Thailand.

— *SMS Gateway* — This product is the mobile data equivalent of a voice switching gateway and enables SPs to interconnect, originate and terminate SMS traffic. It supports services similar to our SMS resale product. Radius-Ed, a provider of mobile data services in Malaysia, uses our SMS Gateway product to connect to a number of international mobile operators to provide SMS resale services.

— *Location-Based Services* — This product enables telcos offering mobile services to provide information services based on the geographical location of their mobile subscribers. While currently these services are only available on request by SMS from subscribers, we plan to develop a product that will enable operators to send information to subscribers based on the location that they are in. Examples of services that could utilise this service are buddy-tracking/friend-finding, vehicle-tracking and other information retrieval services.

Interactive Services

In addition to the products that we have developed using both UniLink and MExLink, we also work with our fixed-line, mobile and enterprises customers to create dial-in applications. These applications, which operate on platforms other than UniLink and MExLink, are typically made on a standalone project basis.

Dial-in applications enable users to access information on demand through a variety of media, including speech recognition, SMS and touch tone.

Customers for whom we have installed dial-in applications include:–

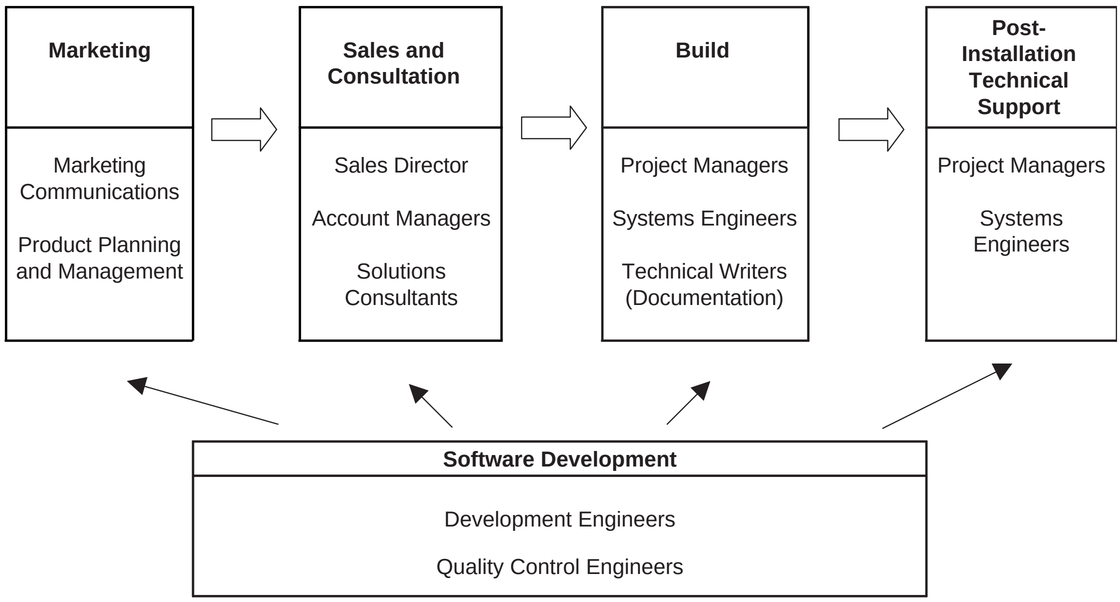
— The Civil Aviation Authority of Singapore, which uses our application for its voice-activated flight information retrieval service. Users dial up and are able to access pre-recorded information about arrivals and departures from Changi International Airport. The application uses voice recognition technology to enable users to verbally request such information;

— Tribal Drum Communications Sdn Bhd, a SP in Brunei, which uses our application to provide dial-in premium rate services, such as sports result updates, mobile ringtone downloads and interactive quiz dial-ins; and

— MediaCliq Sdn Bhd, a SP in Malaysia, which specialises in electronic marketing, uses our application to provide its customers with targeted marketing campaigns, through SMS. Examples of campaigns that they have launched through our application include SMS broadcast and interactive SMS games for product promotion.

Project Transaction Process

Much of the work involved in providing the products and customised solutions that comprise our Proprietary Solutions business involves the execution of a project-style operation. This process comprises four key stages:–



Marketing

Our general marketing and publicity work is managed by our marketing communications staff. Each of our subsidiaries conducts its own marketing and business development activities independently of the others to generate sales leads and business prospects in their respective markets. We also have a product planning and management group that works closely with our customers to better understand their problems and requirements and to anticipate their needs, so as to enable us to plan future product rollouts that meet these needs.

Sales and Consultation

We generate sales through the following means:–

— *Direct sales* — We have a dedicated sales team within each subsidiary, and each sales team comprises (i) a sales director who is responsible for an assigned region, (ii) account managers who deal directly with our customers, and (iii) solutions consultants who provide technical support to the account managers in developing their sales proposals to meet the specific needs of our customers. The solutions consultants work closely with our customers' technical personnel to understand their problems and requirements and to determine the most appropriate and cost-effective solution to meet their needs.

  We believe that by adopting such a structure within our sales teams, we not only provide our customers with better service, but also ensure effective customer relationship management. To encourage repeat sales from our existing customers, the sales teams are also responsible for managing customer relationships. Most of our repeat sales are generated from existing customers who are expanding or enhancing their current systems or infrastructure, as well as those who wish to introduce new applications and services to their subscribers.

— *Referrals from our existing customers and business partners* — Our business relationships with existing customers and business partners have led to business opportunities and referrals from both local and overseas customers.

Our solutions consultants advise our customers on the design, development and implementation of the relevant solution. This is done in consultation with the customer's business and technical personnel. Further, internal consultations with development engineers in our software development department and the product planning and management group take place to discuss technical considerations and to obtain additional product information. Our account managers and solutions consultants then explain the solution to the customer and deal with any technical queries that they may have. We may also arrange for demonstrations or on-site trials of our solutions to improve our customers' understanding of how our products and solutions can meet their requirements.

Build

Once the project order has been secured, the responsibility of delivering the project is handed over to the technical operations department. A project manager is assigned to be the overall coordinator of the project, liaising with the customer, solutions consultants, account managers, systems engineers and development engineers.

The process of delivering a customised solution to a customer on a turnkey basis typically involves the following phases:–

— *Requirement Analysis* — This stage involves conducting a comprehensive study of the customer's existing system to determine its technical specifications and capabilities, identifying the customer's requirements in respect of the solution to be supplied, determining the resources required for the project, preparing development and installation schedules for the project and providing the customer with a cost estimate and analysis for the entire project.

— *Interactive Design* — We take an interactive approach towards designing a solution and work very closely with the customer during the design process. This involves constant interaction between our development engineers and the customer's personnel to obtain their feedback on the functionality and performance of the proposed solution.

— *Software Design and Development and Procurement of Third Party Hardware (where necessary)* — This stage involves the actual programming of each module where customisation is necessary, and application that comprises the solution in accordance with the customer's specifications and requirements. Where third party hardware is involved, we will procure the hardware and integrate it into our solution.

— *Systems Integration and Functional Testing* — This stage involves testing to ensure that the hardware and software supplied for the solution are compatible with the customer's existing computer system and able to perform the functions required by the customer.

— *Site Preparation and Testing (where necessary)* — Where necessary, we will work with the customer to prepare the site for installation of the system and conduct preliminary testing.

— *Installation, Testing and Commissioning* — This stage involves the installation of the hardware and the software into the customer's existing system. It also entails carrying out user acceptance tests on the solution to determine whether the solution meets all of the customer's requirements and specifications. Normally, upon completion of the user acceptance tests, our customers will be allowed to carry out trial runs with the solution to ensure its functionality and performance and we will rectify any errors in the solution during this period.

Post-Installation Technical Support

After the solution is installed, we provide the customer with technical support and maintenance services in connection with the hardware and software that we have installed. Such services may be provided to the customer during the warranty period for the solution, which is typically 12 months from the date of acceptance of the solution by the customer. Upon expiry of the warranty period, our customers are usually given an option to enter into a maintenance agreement with us whereby we will provide the customer with technical support and maintenance services in connection with the solution. A maintenance agreement is usually for a duration of one year and is renewable at the option of the customer.

We have set up service support arrangements to better serve our end customers in countries where we offer our products but have not established a subsidiary, branch office or representative office. The majority of these service support arrangements are made in conjunction with the resellers of our products in those countries. We currently have implemented these arrangements in Beijing and Shenzhen in China, Jakarta in Indonesia, Los Angeles in the United States, and Karachi in Pakistan.

Distribution Business

Our Group has been engaged in the distribution of third party products since its inception. The three categories of products which we currently distribute are:–

— *Computer Telephony Products* — These include hardware in the form of printed circuit boards and associated software development tools for computer telephony integration applications. These products are supplied primarily to systems integrators, software developers and value-added suppliers for development of their own computer telephony applications, such as voice and fax processing, audio conferencing, speech recognition, text-to-speech and VoIP applications. Our supplier for computer telephony products is Intel.

— *VoIP products* — VoIP products include basic to high-end VoIP Gateways which are used by telecommunications service providers to provide VoIP services. VoIP enables long distance telephone calls to be made via the Internet at substantially lower rates than conventional IDD calls. Our supplier for VoIP products is Quintum Technologies.

— *Industrial computers* — This is a range of robust industrial-grade hardware, which is principally used for ‘‘mission critical applications’’ which require computers with high levels of stability and reliability and low breakdown rates. These industrial computers are flexible and scalable and can easily be configured to accommodate different computer boards and peripherals in the same chassis. Our supplier for industrial computers is Advantech.

Attrix Singapore was appointed as a non-exclusive value-added distributor by Intel and Quintum Technologies on 1 March 2002 and 15 November 2002, respectively. No formal distributorship or reseller agreement has been entered into with Advantech and we place our orders with them whenever we receive orders from our customers.

The following is a summary of the salient terms of Attrix Singapore's agreements with Intel and Quintum Technologies:–

Principal	Date of Agreement	Term	Territory
Intel	1 March 2002	Agreement expires 31 December 2004. Automatically renewed thereafter for additional 1 year periods, unless terminated earlier by either party.	Singapore, Malaysia, Indonesia, the Philippines, Thailand and Vietnam
Quintum Technologies	15 November 2002	Agreement expires on 15 April 2004. Automatically renewed thereafter for additional 1 year periods unless Quintum Technologies notifies Attrix Singapore 30 days prior to expiration that the agreement will not be renewed.	South-east Asia

Under the terms of its arrangements with each of Intel and Quintum Technologies, Attrix Singapore is authorised to appoint resellers for their respective products in the territories for which it has been granted distribution rights. Attrix Malaysia acts as an authorised reseller for these products to our customers in Malaysia.

Since commencing business in 1998, we have distributed products to our customers in Singapore, Malaysia, Thailand, the Philippines, Indonesia and Vietnam. Our customers include telcos and SPs, such as Singapore Telecommunications, Smart Communications and Telekom Applied Business, as well as enterprises, government bodies and organisations, including Singapore Post Limited and Nanyang Technological University. Our customers also include system integrators and software suppliers, such as National Computer Systems Pte Ltd, Radiance Communications Pte Ltd, TNT Communications Pte Ltd, Atreides Solutions Pte Ltd, FCS Computer Systems (S) Pte Ltd, NCR Singapore Pte Ltd and Systems@Work Pte Ltd.

MARKETING

We conduct marketing for both our Proprietary Solutions and Distribution businesses generally in the manner set out in the section entitled ''Project Transaction Process'' on pages 73 to 75 of this Prospectus.

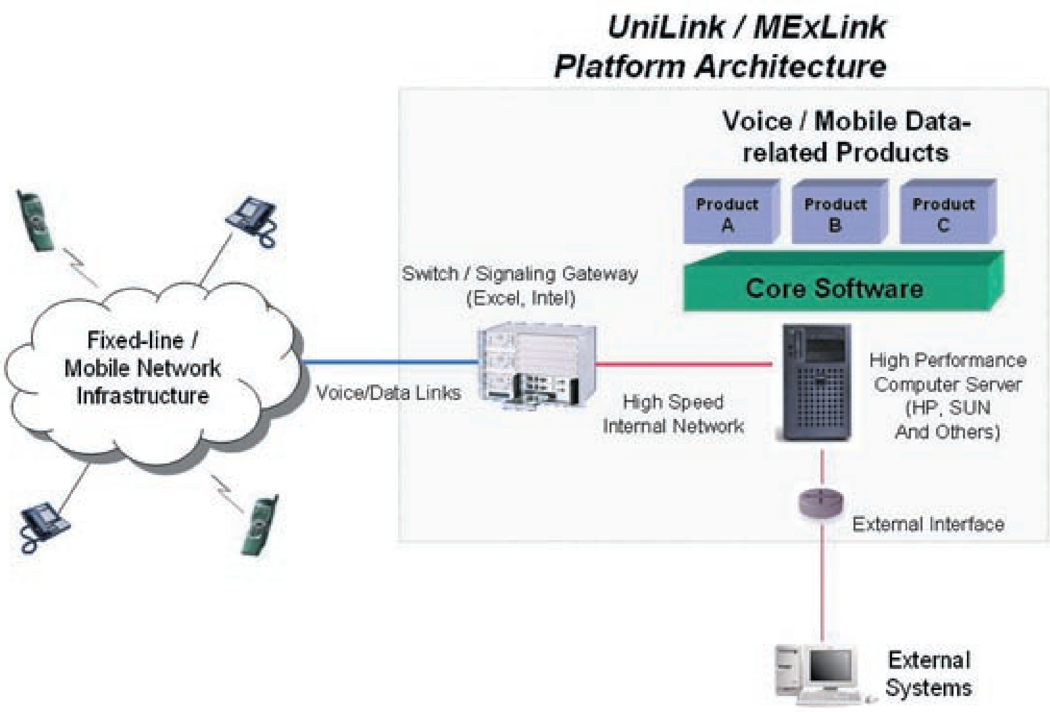
For our Distribution business, we market by participating in a number of industry trade shows in the Asia Pacific region. At such shows, we often collaborate with our key suppliers of the products that we distribute. We also organise quarterly industry seminars jointly with these vendors and suppliers to target potential customers in the telecommunications industry and have held such seminars in Malaysia, Singapore and Thailand. We view these trade shows and industry seminars as excellent platforms to showcase our products and customised solutions to our existing and potential customers.

TECHNOLOGY AND RESOURCES

We deliver our products and customised solutions using both proprietary software and third party hardware and software. We also partner with leading infrastructure and technology suppliers, system integrators, content providers and application developers to enhance our end-to-end solutions and collaborate to bring to our customers emerging technologies and components.

Our voice-related and mobile data products operate on our proprietary UniLink and MExLink platforms, respectively. These platforms allow our customers, typically telcos or SPs to deliver voice and data switching-based services to their subscribers or to implement applications that will reduce operating costs and improve network efficiency.

While the two platforms work separately with voice and mobile data, the underlying architecture is similar, as shown in the chart below.



Our UniLink/MExLink product comprises four principal components:–

(i) *a switch in relation to UniLink and a signalling gateway in relation to MExLink* — This is the core hardware that enables a network to switch voice/data from one source, whether fixed-line or mobile, to another. This component differs from standard switches/gateways because it is fully programmable and therefore enables the use of software applications. We use components made by either Excel Switching Corp or Intel, depending on factors such as system requirements and cost constraints.

(ii) *a computer server* — This is where the intelligence of the platform, in the form of the UniLink/MExLink core software and individual applications, is stored and governs how the switch/signalling gateway operates. While the computer server is a generic piece of hardware, we principally use servers provided by Hewlett-Packard and Sun Microsystems.

(iii) *the core software* — This software, which is proprietary, provides the infrastructure required to operate our various products. Principal functions of the core software include:–

- resource management, which ensures that the various switching and system resources are used in the most efficient manner;
- implementation of signaling protocols, which allows the applications to operate on differing fixed-line and mobile network infrastructures;
- routing algorithms, which ensure that the platform finds and uses the most efficient route for transmitting voice/data from one channel to another;
- database management, allows for the manipulation and storage of data required to operate applications, such as system configuration data, subscriber information and call detail records;
- operational, administration and maintenance tools, which are a set of tools that allow operators to effectively carry out day-to-day monitoring and maintenance work of the platform; and
- external interfaces, which allow the platform to interface with the operator's other systems, such as billing systems, customer relationship management systems and network management systems.

This core software is installed in all of our platforms and requires little or no customisation between projects.

(iv) *our various products* — Using the core software, we have developed a number of products that carry out various voice-related and mobile data products and customised solutions, as described in the section entitled ''Proprietary Solutions Business'' on pages 70 to 72 of this Prospectus.

QUALITY CONTROL

As part of our quality control procedures, we design customised test plans to meet our product specifications. The customised test plans must be approved by our senior management before they are applied to test the products. A test report will be generated upon successful completion of the tests. The test report must be endorsed by senior management before the products are delivered.

We have a quality assurance manager who is responsible for refining our Group's quality control procedures. Our quality control procedures, together with our quality assurance manager, will enable us to enhance quality control in all aspects of our Group's technical operations which include software design, software development and systems testing.

INTELLECTUAL PROPERTY RIGHTS

The intellectual property rights which are currently material to our business are set out below:–

We have, through Unified Singapore, registered one trademark, namely our ''Unified Communications'' logo (as depicted below), with the Registry of Trade Marks, Intellectual Property Office of Singapore.

The table below provides information on our registered trademark:–

Trade Mark Class	Applicant	Trade Mark Number	Date of Registration
42	Unified Singapore	T01/10656G	27 July 2001

At present, we do not intend to register any other trademarks in Singapore, Malaysia or elsewhere, but we may do so as and when advised by our professional advisers.

We license generic third party software and hardware from companies such as Microsoft Corporation and Sun Microsysterms, Inc. These comprise commercially available technology for which we pay a licence fee to incorporate into our Proprietary Solutions products. We own the copyright to all our in-house developed proprietary software which are components of our proprietary platforms, UniLink and MExLink.

In October 2003, Unified Malaysia acquired from Panasino Inc. the rights to certain intellectual property, including RadiusXChange and associated software relating to mobile data solutions.

SOFTWARE AND SYSTEM DEVELOPMENT

We carry out in-house software and system development work on a continuous basis to enhance the capabilities of our existing solutions, as well as to develop new applications or solutions which our customers require or which we believe have commercial potential. We believe that such activities are necessary for us to remain competitive in the telecommunications solutions industry.

Currently, all our software and system development activities are carried out in Malaysia at our offices in Kuala Lumpur and Cyberjaya, Selangor Darul Ehsan. We have 45 development engineers engaged in software and system development as at the Latest Practicable Date. Each development team focuses on different solutions and products. Essentially, our software and system development activities are aimed at (i) enhancing the functionalities of our existing product range; (ii) developing new ranges of products and services; (iii) customising our products and services by developing features and functionalities that are catered for a specific market; and (iv) strengthening the performance and functions of our products to compete with key international market participants.

Our Group employs the concept of ''technology farms'' to develop reusable code libraries for insertion into our solutions. Our specialist engineers are provided dedicated space and resources to stimulate innovation and development. Our engineers can be grouped into the following categories, each having specific expertise:–

(1) engineers primarily responsible for designing and developing the database structure and schema based on Oracle and MS SQL databases;

(2) engineers primarily responsible for developing software modules that implement standard telecommunications signalling protocols such as SS7, H.323, MGCP;

(3) engineers primarily responsible for developing applications using languages such as Java, C++, and Visual Basic; and

(4) engineers specialising in the administration of operating systems such as LINUX, Windows NT and Sun Solaris.

Our engineers aim to create code that fulfils both the immediate function for which it was designed, as well as can be re-used or integrated into future applications.

Our software and systems development expenses for the past three financial years and the six-month period ended 30 June 2003 are as follows:–

	FY2000	FY2001	FY2002	1H2003
Development expenses (S$'000)	298	470	952	521
As a % of total sales from Proprietary Solutions	6.8	2.5	4.0	5.2

MAJOR CUSTOMERS

Our customers are mainly telcos and SPs from ASEAN, the Middle East and the US. We do not depend on any single customer, however the customers accounting for 5% or more of our Group's turnover for each of the last three financial years ended 31 December and the six months ended 30 June 2003 are set out below:–

	% of total sales			
Name of customer	**FY2000**	**FY2001**	**FY2002**	**1H2003**
Vocom International Telecommunications	—	9.2	10.6	0.9
Smart Communications	23.3	43.3	6.4	6.2
DiGi Telecommunications	1.9	10.8	7.0	2.2
Ministry of Defence of Singapore	23.5	0.9	0.5	*n.m.*(1)
PT Connexia Makmur Jaya	—	—	—	7.2
J & C Pacific Sdn Bhd	—	—	—	7.0
Total	48.7	64.2	24.5	23.5

Note:–

(1) n.m. — "not meaningful"

The sales we received from our major customers mentioned above was mainly from our sales of products and customised solutions utilising mainly our proprietary UniLink platform. The revenue we received from Smart Communications in FY2000, FY2001, FY2002 and 1H2003 was for work undertaken on an on-going Proprietary Solutions project in the Philippines, specifically, the supply, installation, implementation and support of its nationwide pre-paid GSM mobile service, and also for the expansion of Smart Communications' mobile cellular systems. The revenue received from DiGi Telecommunications for FY2001 and FY2002 was derived from two projects, namely the development and installation of a pre-paid IDD calling card system in Malaysia and an international wholesale traffic network system, which also generated revenue in 1H2003. The majority of the revenue received in FY2000 from the Ministry of Defence of Singapore was for the supply of hardware and telephony components. The revenue received from Vocom International Telecommunications in FY2001 and FY2002 was for work done on a project in the US in connection with the development and implementation of a wholesale traffic network system covering North America and North and South-east Asia. J & C Pacific Sdn Bhd is a service provider based in Malaysia which purchased our voice-related products in 1H2003, while our end customer for the sales to PT Connexia Makmur Jaya of voice-related products was PT Telkom Divisi Regional V Jawa Timur.

None of our Directors, Executive Officers or Substantial Shareholders has an interest (direct or indirect) of more than 5% in the above-mentioned customers.

MAJOR SUPPLIERS

We are an authorised distributor of Intel's telecommunications network interface and digital signal processing products and other related telecommunications products in Singapore, Malaysia, Indonesia, the Philippines, Thailand and Vietnam. We are also authorised distributors of Quintum Technologies' VoIP-related products in the South-east Asian region.

The suppliers which accounted for 5% or more of our Group's purchases for the past three financial years ended 31 December and 1H2003 are set out below:–

	% of total Group purchases			
Name of supplier	**FY2000**	**FY2001**	**FY2002**	**1H2003**
Intel Group[(1)]	79.8	48.7	29.4	45.0
DataKinetics Limited	6.0	0.2	—	—
Excel Switching Corp	—	15.8	13.3	20.0
Quintum Technologies	—	3.8	6.3	9.3
P-Com Ltd	—	—	6.7	—
Pracom Ltd	—	3.7	9.4	—
Total	85.8	72.2	65.1	74.3

Note:–

(1) The "Intel Group" includes Dialogic S.E.A. Pte Ltd and Intel.

We also paid amounts comprising 7.8% of the total Group purchases in FY2001 and 7.4% of the total Group purchases in FY2002 to PT Telkom Divisi Regional V Jawa Timur and PT Prima Kom respectively, both of which are customers of our Proprietary Solutions business. Unlike our typical purchases for third party hardware, these payments arose from our revenue-sharing projects and are attributable to call traffic charges relating to an international wholesale traffic network system. PT Telkom Divisi Regional V Jawa Timur and PT Prima Kom are major fixed-line telecommunications operator and SP in Indonesia respectively.

Our purchases from Intel were primarily for their Dialogic range of products and associated development software tools. This comprised mainly computer telephony, telecommunications network interface and digital signal processing products. From FY2001, the increase in purchases from Excel Switching Corp was for the programmable switches used in our Proprietary Solutions business. Quintum Technologies mainly supplies us with VoIP products, including high-end VoIP gateways. Our purchases from Quintum Technologies were mainly for our Distribution business. Our purchases from Pracom Ltd mainly comprise software tools that allows us to build some of our interactive services products. Our purchases from DataKinetics Limited were of their range of telecommunications signalling products. Our purchases from P-Com Ltd comprised transmission equipment for our projects in China.

Although there are many alternative suppliers for the telecommunications products and components which we distribute, we continue to source our products from Intel, Quintum Technologies and Excel Switching Corp as these products are of proven industry quality.

None of our Directors, Executive Officers or Substantial Shareholders has an interest (direct or indirect) of more than 5% in the above-mentioned suppliers.

CREDIT MANAGEMENT

We invoice our Proprietary Solutions customers progressively according to the terms of the contract based on the stages of completion of the project. Although we typically extend a credit term ranging from 30 to 90 days to these customers, we have extended longer credit payment terms to certain customers, depending on the size of the contract, financial background, credit-worthiness, and length of their relationships with us. These customers, which comprise mainly the SPs, are offered credit terms ranging from 90 to 180 days.

For new customers of our Distribution business, we typically offer cash terms while repeat customers are offered credit terms ranging from 30 to 90 days, depending on the transaction volume, financial background, credit-worthiness and length of their relationship with us.

Our management, specifically our respective heads of finance and sales, closely monitor all outstanding payments and review debtor balances on a monthly basis to ensure steps are taken to collect any long outstanding trade debts. If we establish, through public information sources and discussion with our customers, that a customer is in financial difficulty, we may consider a letter of demand and ultimately, legal action, depending on the materiality of the debt as well as the length of our relationship with the customer. Specific provision for doubtful debts is made when the debtor fails to respond to our legal letter of demand. The amount owed is written off as bad debt when the customer is unable to meet its financial obligation after legal proceedings have been instituted. We do not have a policy in relation to the general allowance of doubtful debts. We have not written off any bad debt amounts for the period under review. Our specific provision for doubtful debts for the period under review are as follows:–

	FY2000	**FY2001**	**FY2002**	**1H2003**
Provision for doubtful trade debts made during the year (S$'000)	127.3	313.5	22.8	—
As a % of total sales	1.1	1.3	0.1	—
Trade debtors turnover (days)	74	78	129	198

Note:–

Trade debtors turnover = (average trade debtors/total sales) X 365 days (or 180 days for 1H2003).

Our debtors ageing profile of trade receivables as at 30 June 2003 is as follows:–

	Total	**0 to 60 days**	**61 to 90 days**	**91 to 120 days**	**More than 120 days**
Trade debtors' ageing (%)	100.0	38.8	1.2	10.3	49.7

Our trade debtors turnover period has increased as a result of a gradual change in the sales mix of our Group's revenue and increased sales to SPs, to whom we typically offer longer credit terms ranging from 90 to 180 days. Our trade debtors also increased due to slower payment from our customers. As sales from our Distribution business (which offer shorter credit terms) declined as compared to sales from our Proprietary Solutions business (which offer longer credit terms as payment is based on percentage completion), we face longer collection periods.

As at the Latest Practicable Date, our subsequent receipts relating to trade debts that were outstanding as at 30 June 2003 amounted to approximately S$7.3 million, representing 47.0% of the trade receivables as at 30 June 2003.

INVENTORY MANAGEMENT

Our business requires us to maintain adequate inventory levels. For our Proprietary Solutions business, inventory must be maintained at adequate levels in order for us to meet our project schedules. For our Distribution business, we maintain higher inventory levels for faster-moving inventory which require longer purchase lead times. For both our businesses, inventory levels are forecasted by reference to projected sales demand.

Between FY2000 and FY2001, the inventory turnover period increased from 88 days to 153 days due to the build-up of inventory in anticipation of the growth in sales expected in our Proprietary Solutions business. In FY2002, inventory turnover period increased from 153 days to 189 days. The increase was largely due to our bulk purchase of telecommunications equipment at discounted prices. In addition, the high inventory period in FY2002 was a result of inventory of S$1.7 million not utilised due to the postponement of a project.

In 1H2003, our inventory turnover period increased to 230 days. This was largely due to the delay in clearing inventory for a proposed revenue sharing project and the postponement of a Proprietary Solutions project to the fourth quarter of FY2003, resulting in the mobile equipment remaining in our inventory.

We monitor our inventory levels by conducting quarterly reviews on the inventory status of certain major product groups vis-a-vis the sales trend or utilisation rate of such products. Obsolete inventory is closely monitored by reference to a technical obsolescence products list which is provided to us by our suppliers regularly and is also assessed based on our experience of market demands and trends.

Amounts written off for slow-moving inventory and technical obsolescence for the years ended FY2000, FY2001, FY2002 and 1H2003 are as follows:–

	FY2000	**FY2001**	**FY2002**	**1H2003**
Amounts written off during the period (S$'000)	—	240	58	—
As a % of total sales	—	1.0	0.2	—
Inventory turnover period (days)	88	153	189	230

Note:–

Inventory turnover period = (average inventory/adjusted cost of sales) X 365 days (or 180 days for 1H2003), where "adjusted cost of sales" is computed based on cost of sales less non-inventory related costs such as payroll and related costs.

INSURANCE

Unified Malaysia and Unified Singapore are covered by insurance policies from Allianz General Insurance Malaysia Berhad (formerly known as Malaysia British Assurance Berhad) and The Asia Insurance Co Ltd respectively. The policies provide all risks coverage for all direct physical loss or damage, including all consequential loss of profits and comprehensive liability insurance.

The Group also has Errors and Omission Liability Insurance to cover legal expenses and losses by reason of liability imposed by law or commercial contracts for any financial injury caused by a wrongful act that results in failure of the product functions or services supplied by our Group.

Our Directors believe that we have adequate insurance coverage for the purposes of our business operations.

COMPETITION

We face competition from both local and international telecommunications solutions providers whose target markets are similar to ours. However, the ability to acquire technical personnel with relevant knowledge and expertise in developing telecommunications solutions remains as one of the main barriers to entry in this industry, especially in the ASEAN region. Our lower operating costs also enable us to price our products and customised solutions more competitively as compared to most international telecommunications software solutions providers.

We believe that this makes us one of the very few Asian providers of comparable services and products. More information on our competitive strengths is set out in the section entitled ''Competitive Strengths'' on pages 84 to 86 of this Prospectus.

We set out below the companies whom we regard as our closest competitors:–

Company	Products
Intervoice, Inc. (US)	Voice-related products, mobile data products and interactive services
Comverse Technology, Inc. (US)	Voice-related products, mobile data products and interactive services
Nortel Networks Corporation (Canada)	Voice-related products, mobile data products and interactive services
Interactive Technology Holdings Ltd (Hong Kong)	Voice-related products, mobile data products and interactive services
LogicaCMG (UK)	Voice-related products and mobile data products
GlobaLink Ltd (Hong Kong)	Voice-related products

Our competitors for our Distribution business are harder to identify as the market tends to be fragmented. We face competition from:–

(i) other distributors appointed by our suppliers although they may operate in a different geographical region; and

(ii) competing manufacturers of similar products with distribution capabilities.

COMPETITIVE STRENGTHS

We believe that our competitive strengths are as follows:–

We understand and tailor our products for customers in our core markets

Each member of our management team has experience of between 8 and 20 years in the telecommunications and IT sectors in the Asia-Pacific region. Our technical and sales staff have in-depth understanding of both our customers needs and the products of our suppliers and technology partners. This enables us to identify the needs of our customers and offer them solutions in a timely manner, which we believe gives us an advantage in securing and retaining customers.

We have a team of skilled technical experts with extensive experience in the areas of information and communications technology. As at the Latest Practicable Date, our engineers and programmers accounted for more than 60% of our total workforce, reflecting our emphasis on software and systems development and our successful implementation of new products and customised solutions for the telecommunications industry. Continuous in-house and on-site training, coupled with our long-standing business relationships with IT companies such as Intel and Lucent, has enabled us to develop a wide range of products and solutions.

Our cost base is generally lower than our principal competitors'

We adopt cost-saving policies so as to ensure our competitiveness. As at the Latest Practicable Date, more than 90% of our development engineers are located in Malaysia where manpower is skilled and relatively inexpensive. More than 70% of our staff (including technical support system engineers involved in project implementation) are based in countries with comparatively lower labour costs, such as Malaysia and the Phillippines. In light of this, we believe we enjoy a cost advantage in development and project costs as compared to our competitors in more developed regions, such as the US and Europe.

We also enjoy the incentives and benefits of our MSC status. The pioneer status accorded pursuant to our MSC status allows us to enjoy tax holidays as well as the flexibility to employ unlimited numbers of lower cost foreign ''knowledge workers'' (further details of which are set out in the section entitled ''Government Regulations'' on pages 116 to 121 of this Prospectus).

We have established good business relationships with key market participants

We have strong relationships with major telcos, SPs, governmental bodies and commercial enterprises. Our customers include Singapore Telecommunications and StarHub Mobile Pte Ltd in Singapore, Smart Communications and PLDT in the Philippines, Advanced Info Service in Thailand and Telekom Malaysia, Maxis and DiGi Telecommunications in Malaysia. We have also provided products and customised solutions to China Telecom and Saudi Telecommunications Company. In addition to providing us with referrals, these relationships have enabled us to maintain an awareness of the rapidly evolving market trends.

Our strong business relationships and successful track record with these premier customers also provide us with access to new business opportunities. Less established market participants have approached us for assistance in marketing their technologies to our premier customers. While we do not consider this to be a core business, the process helps us to keep abreast of the latest technological innovations.

We also place great emphasis on the business relationships we have with suppliers such as Excel Switching Corp (formerly a part of Lucent), Intel and Quintum Technologies, and will continue to focus on strengthening and developing relationships with these and other communications companies and suppliers. Besides benefiting from the strong brand names these companies bring to us, we also acquired first-hand knowledge of current and emerging technologies and solutions, thus ensuring that our products and customised solutions are kept up-to-date in terms of features, functionalities and flexibility.

All this allows us to continually be a conduit of current and emerging technologies and market trends which in turn ensures that we remain relevant in the market place.

We have established ourselves in telecommunications markets that are in the early stages of development

We are early movers in emerging telecommunications markets. We believe that our track record also shows our ability to penetrate markets undergoing deregulation in the Asia Pacific region. Having established ourselves at an early stage of the development of these markets, we consider ourselves to be well-positioned to take advantage of the evolving product needs of such markets as they mature.

We own the intellectual property rights to all in-house developed software which we supply as part of our products and customised solutions

Our in-house developed software, which we supply together with third party software and hardware with our products and customised solutions, is produced by a dedicated team of development engineers. We retain the ownership of the intellectual property rights in all our in-house developed software, which we supply together with our products and customised solutions, including the source codes and designs utilised therein. Besides giving us the flexibility of pricing our products and customised solutions competitively, our ownership of the intellectual property rights in such software also enables us to exploit and enhance the capabilities of our products and customised solutions, develop new products and customised solutions or undertake turnkey projects for the customisation of our products and solutions to meet the specific needs or requirements of our customers.

PROSPECTS

Our Directors are optimistic about our business prospects and intend to remain in our core businesses. We are of the opinion that we will continue to see strong growth due to the increasing demand for newer and more innovative telecommunications solutions in the near future for the following reasons:–

Advances in technologies, especially in mobile solutions

Traditionally, the principal sector in the telecommunications industry was fixed-line telephone communications. However, consumer expectations of ''anytime, anywhere'' access to communications and data, combined with significant advances in mobile technologies, has seen more SPs offering mobile services.

We believe that we will have new opportunities to provide mobile data solutions to our customers as a result of the emergence of new info-communications services and technologies such as mobile broadband, MMS, GPRS and 3G. The emergence of these services and technologies will increase demand from telecommunications operators and SPs to introduce innovative mobile applications such as mobile entertainment, gaming and commerce to their customers, which we believe will increase demand for our products and customised solutions.

Deregulation

The deregulation of certain telecommunications markets in recent years presents increased opportunities for us to market and sell our products and customised solutions to existing and new telco and SP customers.

Previously dominated by large state-owned and monopolistic operators, deregulation has facilitated the opening up and growth in a number of these markets and precipitated the emergence of new operators and service providers. This has encouraged competition amongst existing and new telcos and SPs, which in turn encourages market participants to:–

— improve system efficiency;

— be more responsive to consumer demands;

— offer enhanced services to their subscribers;

— engage in price competition; and

— increase their investment in the development of innovative solutions and applications.

The impact of deregulation can be illustrated by the increase in the number of participants in Singapore following the deregulation of the local telecommunications industry on 1 April 2000. Prior to deregulation, telecommunications services were almost exclusively provided by Singapore Telecommunications. As of 15 September 2003, a total of 33 licenses have been issued to facilities-based operators and 677 licenses to service-based operators.

Following the expiry of the exclusive franchise rights of the former Hong Kong Telephone Company Limited for the provision of local telephone services, the Fixed Telecommunications Network Services (FTNS) market in Hong Kong was deregulated on 30 June 1995. As at June 2003, there were eight companies providing local wireline-based FTNS and two providing wireless FTNS services. The external services market was liberalised on 1 January 2000. As at June 2003, there were 227 external telecommunications services licensees in Hong Kong.

We believe that the deregulation of the telecommunications markets in the other countries in which we operate, or intend to expand into, would present increased opportunities for us to provide our products and customised solutions.

Convergence of voice and data technology

We believe the industry is experiencing a convergence of voice and data with the emergence of broadband and VoIP technologies that will provide us with further business opportunities. Such convergence gives rise to applications such as integrated audio conferencing with real-time data sharing capabilities, which we are able to provide.

The transmission of voice signals requires relatively small amounts of capacity on telecommunications networks. In contrast, the transmission of data, video, and graphics requires much higher capacity. As the demand increases for high-capacity transmissions, telcos are continually expanding and upgrading their networks to increase the amount of available bandwidth. With increased capacity, services such as ''streaming'' video and audio content are increasingly common.

We believe that developments in voice and data convergence, coupled with advances in mobile technologies, will enable innovative applications to develop and drive demand for our mobile data products and customised solutions as well as interactive solutions.

Trends

Our Directors believe that as a result of new technologies being developed, the use of VoIP to bypass the traditional IDD based long-distance communications will gradually increase. This may have a positive impact on the sale of our VoIP products.

As at the Latest Practicable Date, we have orders in hand and work in hand amounting to S$8.7 million. The revenue from these orders is expected to be recognised by the end of 2004.

Save as disclosed and barring unforeseen circumstances, our Directors believe that there are no other known recent trends in production, sales and inventory, in the costs and selling prices of our products and services or other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition.

BUSINESS STRATEGY AND FUTURE PLANS

To achieve our vision and goals, we intend to:–

(a) ***Expand product range, in particular to focus on mobile technologies***

Mobile data services in gaming, entertainment, commerce and messaging have experienced significant growth over the past few years.

In response to consumer demand, SPs are increasingly offering mobile data services such as SMS and MMS and also actively seeking new and innovative applications and services. SPs and enterprises are also seeking enhanced content and volume capabilities.

We intend to focus on developing mobile data products and customised solutions to capitalise on this trend. We also plan to increase our resources in developing new products and customised solutions based on USSD, GPRS and MMS technologies and services.

We intend to generally increase our focus on software and systems development to improve on and/or develop new features and capabilities for our existing suite of products and customised solutions. To achieve this, we have a dedicated team of development engineers whose function is to constantly improve on existing features and functionalities, as well as develop new features and functionalities for our UniLink and MExLink platforms.

We will continue to analyse trends and the requirements of our customers in our target markets to better enable us to design and develop new products and customised solutions, enhancements and localised features for our products and customised solutions to meet the specific needs of individual markets.

If the opportunity arises for us to enhance our market position, increase our product range or strengthen our technology base through strategic acquisitions of complementary businesses and/or enter into joint ventures, we may acquire or enter into joint ventures with companies or organisations to meet these objectives.

(b) ***Seek opportunities to secure recurring revenue streams***

We intend to continue to seek opportunities to secure recurring revenues through the implementation of revenue sharing programmes with our customers, which we believe will provide us with greater stability of cashflows. To facilitate this, we may decide, on a case-by-case basis, to assume some of the implementation costs associated with the project. Additionally, we intend to provide customers with the opportunity to outsource certain of their functions by offering outsourcing options, such as Build-Operate-Own and Build-Operate-Transfer programmes.

(c) ***Explore and penetrate new and relatively undeveloped telecommunications markets***

The deregulation of the telecommunications industry in Singapore in 2000 provided us with the opportunity to expand our business in Singapore. Limited market liberalisation is also taking place in Malaysia. Whilst we are well established in these markets, we believe that there are new and relatively less developed markets that we will consider venturing into. Regions such as Indochina, Greater China and West Asia/Middle East are rapidly putting in place the infrastructure necessary to support the development of fixed-line and mobile communications.

We intend to leverage on our regional presence to tap new markets. These new and emerging markets are also characterised by demands for low cost solutions, which we can capitalise on because of our cost advantages over our US and European competitors.

We have adopted a strategy of using our regional offices to penetrate into new markets. For instance, our Hong Kong office serves as a gateway to new markets in the Greater China region. In the future, we may expand our presence in these gateway cities or establish direct business presence in our target markets.

Our Company was incorporated on 27 December 2002 in the Republic of Singapore under the Companies Act as a private limited company under the name of ''Unified Communications Holdings Pte Ltd''. On 14 January 2004, our Company was converted into a public limited company and changed its name to ''Unified Communications Holdings Limited''.

Our Company has only one class of Shares, namely ordinary shares, which have identical rights and rank equally with one another. The rights and privileges of these Shares are stated in our Articles of Association. There are no founder, management, deferred shares or unissued shares reserved for issuance for any purpose. Our Articles of Association permit us to issue shares of different classes and with preferential, deferred, qualified or other special rights including preference shares which are subject to redemption. Our Shares may be issued at a premium, with a sum equal to the aggregate amount or value of the premium being transferred to a share premium account. We can also purchase our own Shares subject to the provisions of the Companies Act, our Articles of Association and the rules and regulations of the SGX-ST. We may not, except as permitted under the Act, give any financial assistance for the purpose of or in connection with the acquisition of our Shares.

As at 31 December 2002, the authorised share capital of our Company was S$1,000,000, divided into 1,000,000 ordinary shares of S$1.00 each and the issued and paid-up share capital of our Company was S$2.00 divided into 2 ordinary shares of S$1.00 each.

On 16 December 2003, our Shareholders approved the increase of the authorised share capital of our Company to S$50,000,000, divided into 50,000,000 ordinary shares of S$1.00 each.

On 15 January 2004, we carried out the Restructuring Exercise, comprising the Group Restructuring described in the section entitled ''Group Restructuring'' on pages 96 and 97 of this Prospectus and the following:–

(a) the consolidation of every two of our ordinary shares of S$1.00 each in the capital of our Company into one ordinary share of S$2.00 each (the Share Consolidation);

(b) the sub-division of each ordinary share of S$2.00 each in the capital of our Company into 25 ordinary shares of S$0.08 each (the Share Split);

(c) the issue of the New Shares in connection with our Company's initial public offer which, when fully paid, will rank *pari passu* in all respects with the existing ordinary shares of S$0.08 each in the capital of our Company;

(d) the adoption of a set of new Articles of Association in substitution for the existing Articles of Association of our Company; and

(e) that authority be given to our Directors to allot and issue shares in our Company or convertible securities (whether by way of rights, bonus or otherwise) from time to time and at any time and upon such terms and conditions and for such purposes and to such persons as our Directors shall in their absolute discretion deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to such authority shall not exceed 50% of the post-Invitation issued share capital of our Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to the then existing shareholders of our Company shall not exceed 20% of the post-Invitation issued share capital of our Company (the percentage of the post-Invitation issued share capital being adjusted for new shares arising from the conversion of convertible securities or employee share options in issue at the time such authority is given and any subsequent consolidation or subdivision of shares), and, unless revoked or varied by our Company in general meeting, such authority shall continue in full force until the conclusion of the next Annual General Meeting of our Company or the date by which the next Annual General Meeting is required by law or by our Articles of Association to be held, whichever is earlier.

On 20 January 2004, pursuant to the terms of the Pre-IPO Investment, the Pre-IPO Investors and our Executive Director acquired an aggregate of 45,671,086 Shares from Primeace Holdings.

SHARE CAPITAL

The details of the changes in the issued and paid-up share capital of our Company since incorporation and the resultant issued and paid-up share capital immediately after the Invitation are as follows:–

Date	Purpose	Par value (S$)	Issue price/ consideration (S$)	Number of Shares	Resultant issued and paid-up share capital (S$)
27 December 2002	Issue of 2 subscriber ordinary shares of S$1.00 each	1.00	2.00	2	2.00
15 January 2004	Issue of 22,525,812 new ordinary shares of S$1.00 each, pursuant to the Restructuring Exercise	1.00	22,525,812	22,525,812	22,525,814
15 January 2004	Share Consolidation	2.00	—	11,262,907	22,525,814
15 January 2004	Share Split	0.08	—	281,572,675	22,525,814
	New Shares to be issued pursuant to the Invitation	0.08	10,640,000	38,000,000	25,565,814

Our authorised share capital and the shareholders' funds as at 30 June 2003 and after adjustments to reflect the Restructuring Exercise and the issue of the New Shares pursuant to the Invitation are set out below.

	As at 30 June 2003 (S$)	After the Restructuring Exercise (S$)	After the Invitation (S$)
Authorised share capital	1,000,000	50,000,000	50,000,000
Shareholders' equity			
Issued and fully paid-up ordinary share capital	2	22,525,814	25,565,814
Share premium	—	—	6,401,000
Total shareholders' equity	2	22,525,814	31,996,814

As at the Latest Practicable Date, our Company had only one class of Shares. The rights and privileges of these shares are stated in our Articles of Association, a summary of which is set out in Appendix E to this Prospectus. Our Substantial Shareholders do not have any different voting rights from other Shareholders of our Company.

SHAREHOLDERS

The shareholdings of our Directors and Substantial Shareholders immediately before the Invitation and after adjusting for the Restructuring Exercise and the Pre-IPO Investment and immediately after the Invitation are set out below. We have only a single class of ordinary shares with equal voting rights:–

	Before Invitation and after adjusting for the Restructuring Exercise and the Pre-IPO Investment				After Invitation			
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors	**Direct**		**Indirect**		**Direct**		**Indirect**	
Dato' Ahmad Sebi Bakar[(1)]	—	—	—	—	—	—	—	—
Wong Tze Leng[(2)]	19,034,329	6.8	—	—	19,034,329	6.0	—	—
Lee Su Nie	—	—	—	—	—	—	—	—
Chuah Seong Phaik	—	—	—	—	—	—	—	—
Phuah Peng Hock	—	—	—	—	—	—	—	—
Shareholders of 5% or more other than Directors								
Worldwide Matrix	197,100,850	70.0	—	—	186,322,939	58.3	—	—
Advance Synergy[(3)]	—	—	197,100,850	70.0	—	—	186,322,939	58.3
Primeace Holdings	24,722,089	8.8	—	—	—	—	—	—
Linear Corporation[(4)]	—	—	24,722,089	8.8	—	—	—	—
Other Shareholders of less than 5% who are related to the Directors or Substantial Shareholders								
Nil								
Others								
Winage Limited[(5) (6)]	13,909,690	4.9	—	—	13,909,690	4.4	—	—
WL Asia Capital Absolute Returns Fund[(5) (7)]	8,334,551	2.9	—	—	8,334,551	2.6	—	—
China Matrix Group Limited[(5) (8)]	8,334,551	2.9	—	—	8,334,551	2.6	—	—
Tan Boon Huan Peter[(5)]	2,984,670	1.1	—	—	2,984,670	0.9	—	—
Double Assets Investments Limited[(5) (9)]	2,787,569	1.0	—	—	2,787,569	0.9	—	—
Avia Growth Opportunities Limited[(5) (10)]	1,999,166	0.7	—	—	1,999,166	0.6	—	—
Panweld Trading Pte Ltd[(5) (11)]	1,576,807	0.6	—	—	1,576,807	0.5	—	—
Seng Soon Hiang[(5)]	788,403	0.3	—	—	788,403	0.2	—	—
Public	—	—	—	—	73,500,000	23.0	—	—
Total	281,572,675	100.0	—	—	319,572,675	100.0	—	—

Notes:–

(1) Dato' Ahmad Sebi Bakar is the Executive Chairman and a substantial stockholder of Advance Synergy, which wholly owns Worldwide Matrix, a Substantial Shareholder of our Company. As at the Latest Practicable Date, Dato' Ahmad Sebi Bakar had direct and deemed interests in approximately 12.6% of the total issued and paid-up share capital of Advance Synergy.

(2) Pursuant to the Investment Agreement, our Executive Director acquired in aggregate 4,955,679 Shares representing 1.8% of the pre-Invitation share capital of our Company from Primeace Holdings, at a discount of 10% to the Invitation Price.

(3) Worldwide Matrix is wholly-owned by Advance Synergy, a company listed on the KLSE.

(4) Primeace Holdings is wholly-owned by Linear Corporation, a company listed on the KLSE.

(5) These Shareholders are the Pre-IPO Investors who have acquired in aggregate 40,715,407 Shares representing 14.5% of the pre-Invitation share capital of our Company from Primeace Holdings pursuant to the terms of the Pre-IPO Investment, at a discount of 10% to the Invitation Price.

(6) Winage Limited is an investment holding company incorporated in the British Virgin Islands which is wholly-owned by Lim Oon Cheng.

(7) WL Asia Capital Absolute Returns Fund, a fund managed by Wang Lee Asia Capital Management Limited (''WLCM''), is incorporated in the Cayman Islands. The shareholders of WLCM are Anson Wang (50%) and Lee Chong Min (50%). The subscribers of WL Asia Capital Absolute Returns Fund comprise the shareholders of WLCM and various other investors.

(8) China Matrix Group Limited is an investment holding company incorporated in the British Virgin Islands. The beneficial shareholders of China Matrix Group Limited are Goh Peng Hock (88.1%) and Ng Joo Beng (11.9%).

(9) Double Assets Investments Limited is an investment holding company incorporated in the British Virgin Islands which is wholly-owned by Li Cheung Fong.

(10) Avia Growth Opportunities Limited is a fund managed by Avia Capital Partners Limited (''Avia'') which is incorporated in the British Virgin Islands. The shareholders of Avia are BroadVen Limited (60%) and SBI E2-Capital Holdings Limited (40%). BroadVen Limited (''BroadVen'') is a holding company held by Ng Tee Khiang, David Su Tiong Seng and Low Kiam Cheow. SBI E2-Capital Pte Ltd, one of the Joint Lead Managers, is a wholly-owned subsidiary of SBI E2-Capital Holdings Limited. SBI E2-Capital Securities Pte Ltd, one of the Joint Lead Placement Agents and Underwriters, is a subsidiary of SBI E2-Capital Holdings Limited. The subscribers of Avia Growth Opportunities Limited comprise the three shareholders of BroadVen and various high net worth individuals.

(11) Panweld Trading Pte Ltd is a company incorporated in Singapore. The shareholders of Panweld Trading Pte Ltd are Yong Kheng Leong, Loh Yong Lim and Loh Chiang Tien.

Save as disclosed, there are no other known relationships among our Directors and our Substantial Shareholders.

The interests and voting rights of the Shares owned by our Directors and our Substantial Shareholders do not differ from those attached to our Invitation Shares.

The significant changes in the percentage of ownership of our Company held by our Directors and Substantial Shareholders since the date of incorporation are as follows:–

	As at date of incorporation		After adjusting for the Restructuring Exercise		After adjusting for the Restructuring Exercise and the Pre-IPO Investment	
Name	**Number of ordinary shares of S$1.00 each**	**%**	**Number of ordinary shares of S$0.08 each**	**%**	**Number of ordinary shares of S$0.08 each**	**%**
Directors						
Dato' Ahmad Sebi Bakar	—	—	—	—	—	—
Wong Tze Leng	1	50.0	14,078,650	5.0	19,034,329	6.8
Lee Su Nie	—	—	—	—	—	—
Chuah Seong Phaik	—	—	—	—	—	—
Phuah Peng Hock	—	—	—	—	—	—
Substantial Shareholders						
Worldwide Matrix(1)	—	—	197,100,850	70.0	197,100,850	70.0
Primeace Holdings(2)	—	—	70,393,175	25.0	24,722,089	8.8

Notes:–

(1) Worldwide Matrix is an investment holding company incorporated in Malaysia which is wholly-owned by Advance Synergy.

(2) Primeace Holdings is an investment holding company incorporated in Malaysia which is wholly-owned by Linear Corporation. Pursuant to the terms of the Pre-IPO Investment, Primeace Holdings disposed of an aggregate of 45,671,086 Shares to the Pre-IPO Investors and our Executive Director at a 10% discount to the Invitation Price.

The aggregate number of Shares being offered by the Vendors pursuant to the Invitation is 35,500,000 which is approximately 12.6% of the pre-Invitation issued share capital as at the Latest Practicable Date.

The net proceeds from the sale of the Vendor Shares (after deducting issue expenses attributable to the Vendors) is approximately S$8.8 million.

The names of the Vendors and the number of Vendor Shares which they will each offer pursuant to the Invitation are set out below:–

Name	Number of Shares held before the Invitation	Number of Vendor Shares offered pursuant to the Invitation	Vendor Shares as % of the pre-Invitation share capital	Number of Shares held after the Invitation
Worldwide Matrix	197,100,850	10,777,911	3.8%	186,322,939
Primeace Holdings	24,722,089[(1)]	24,722,089	8.8%	—
	221,822,939	35,500,000	12.6%	186,322,939

Note:–

(1) Shareholdings after the sale to the Pre-IPO Investors and Wong Tze Leng.

MORATORIUM

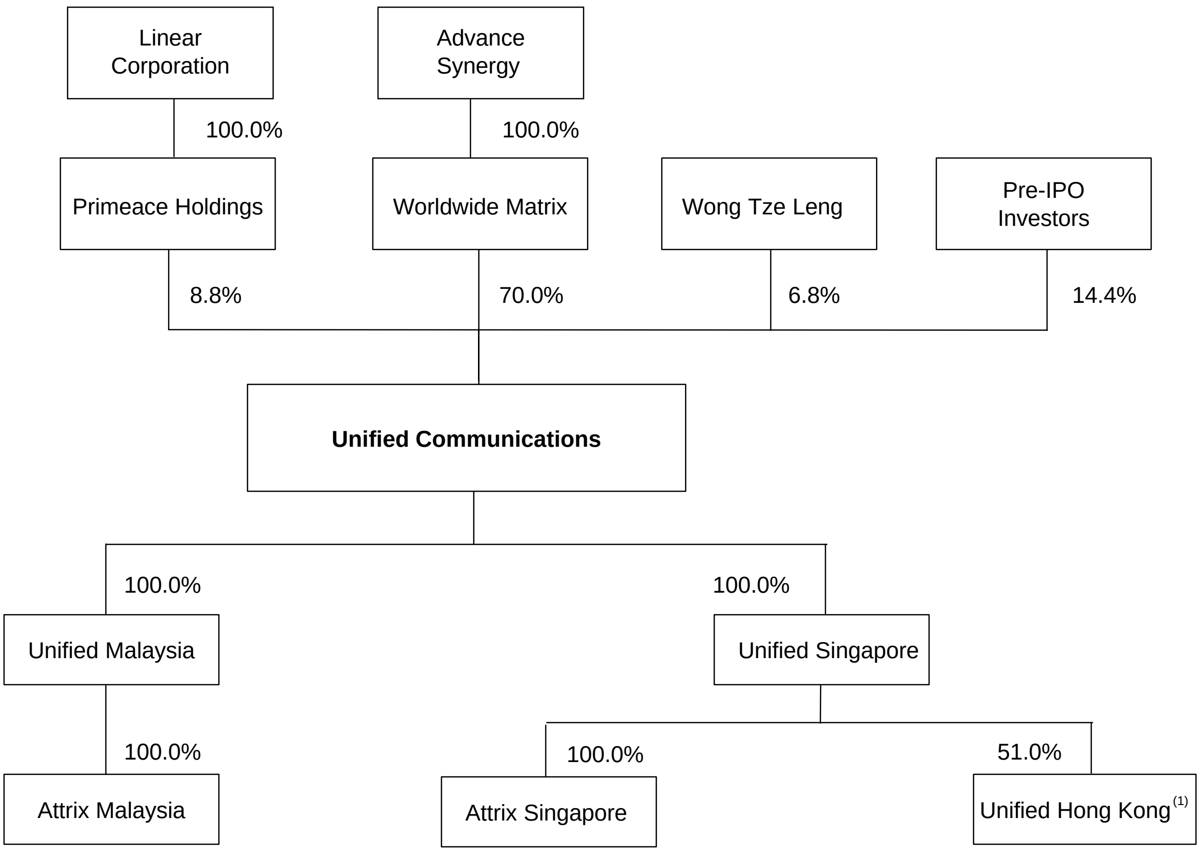
To demonstrate their commitment to our Group, our Executive Director and Worldwide Matrix, our Controlling Shareholder, who will own 6.0% and 58.3% of our enlarged issued and paid-up share capital after the Invitation respectively, have each undertaken that they will not sell, transfer, assign or otherwise dispose of any part of their interest in such Shares for a period of 6 months following the Listing Date.

Advance Synergy, which holds 100% of the shares in the capital of Worldwide Matrix has undertaken not to sell, transfer, assign or otherwise dispose of its shares in the capital of Worldwide Matrix for a period of 6 months following the Listing Date.

GROUP RESTRUCTURING

Pursuant to a Share Transfer Agreement between our Company and our Executive Director, Primeace Holdings and Worldwide Matrix (the ''Sellers''), our Company acquired the entire issued and paid-up share capital of Unified Singapore and Unified Malaysia from the Sellers for a total consideration of S$22,525,812, based on the proforma consolidated NTA values of Unified Singapore and Unified Malaysia as at 30 June 2003. The consideration was satisfied by the issue and allotment of an aggregate of 22,525,812 fully-paid new ordinary shares of S$1.00 each in the capital of our Company to the Sellers.

Our Group structure following the Group Restructuring and the Pre-IPO Investment and immediately prior to the Invitation is as follows:–



Note:–

(1) The remaining 49.0% of the issued and paid-up share capital is held by Adtralink Limited.

Pursuant to the Group Restructuring, our Company has the following subsidiaries:–

Name of subsidiary	Place and date of incorporation	Issued and paid-up share capital	Interest held by the Group	Principal activities	Principal place of business
Held by our Company					
Unified Communications Pte Ltd	Singapore 28 May 1998	S$1,000,000	100%	Design and development of telecommunications solutions, project management, maintenance and support services for the telecommunications industry	390 Havelock Road #04-06 King's Centre Singapore 169662
Unified Communications Sdn Bhd	Malaysia 24 March 1998	RM1,000,200	100%	Research and development, software engineering, system integration, project management and maintenance and support services for the telecommunications industry	Level 3A (Annexe Block) Menara Milenium 8 Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Malaysia
Held by our Company's subsidiaries					
Unified Communications Limited (Held by Unified Communications Pte Ltd)	Hong Kong 5 July 1999	HK$10,000	51%	Distribution of telecommunications products, design and development of telecommunications solutions, telecommunications project management, maintenance and support services for the telecommunications industry	Room 1902 19/F Asia Orient Tower Town Place 33 Lockhart Road Wanchai Hong Kong
Attrix Technology Pte Ltd (Held by Unified Communications Pte Ltd)	Singapore 21 December 2001	S$2	100%	Distribution of computer and telecommunications products and components	390 Havelock Road #04-02 King's Centre Singapore 169662
AttrixTech Sdn Bhd (Held by Unified Communications Sdn Bhd)	Malaysia 6 March 2002	RM2	100%	Distribution of computer and telecommunications products and components	Level 3A (Annexe Block) Menara Milenium 8 Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Malaysia

MANAGEMENT ORGANISATION

Our Board is responsible for the overall management of our Company. Our CEO, Wong Tze Leng, is in charge of our day-to-day operations. He is assisted by an experienced and qualified team of Executive Officers.

DIRECTORS

The particulars of our Directors are as follows:–

Name	Age	Address	Current/Principal Occupation
Executive Director			
Wong Tze Leng	39	10G Braddell Hill #25-27 Singapore 579726	CEO of Unified Communications
Non-executive Directors			
Dato' Ahmad Sebi Bakar	56	60 Jalan Athinahapan 2 Taman Tun Dr Ismail 60000 Kuala Lumpur Malaysia	Executive Chairman of Advance Synergy
Lee Su Nie	43	No.7 Jalan SS3/16 47300 Petaling Jaya Selangor Darul Ehsan Malaysia	Group General Manager, Operations, of Advance Synergy
Independent Directors			
Chuah Seong Phaik	55	No. 108, Jalan Dedap Batik Sierramas, 47000 Sungai Buloh Selangor Darul Ehsan Malaysia	Chartered Accountant
Phuah Peng Hock	46	63 Tampines Avenue 1 #12-01 Singapore 529777	Senior Partner of Advisor Associates (S) Pte Ltd

Information on the business and working experience of our Directors is set out below:–

Dato' Ahmad Sebi Bakar is the Non-executive Chairman of our Company and was appointed to our Board on 18 December 2003. He began his career in 1976 as a journalist with the Malay Mail, a daily newspaper published in Malaysia by the New Straits Times Press Berhad and subsequently rose to become its editor. In 1983, he became the Group Editor of Berita Harian, a Malay language daily newspaper in Malaysia, and was subsequently appointed as Managing Director of Sistem Televisyen Malaysia Berhad, a national television broadcasting station in Malaysia, from 1986 to 1989. Dato' Ahmad was also a director of the New Straits Times Press Berhad from 1988 to 1989.

Presently, Dato' Ahmad sits on the boards of several companies listed on the KLSE, namely, Advance Synergy Capital Berhad (formerly known as United Merchant Group Berhad) and Kumpulan Powernet Berhad. He is also actively involved in social and charitable work and is the chairman of several non-profit organisations, namely, the privately-funded Orphanage Foundation of Malaysia (YATIM) and the Malaysian National Writers Association. He is also a director of Unified Malaysia and the Executive Chairman of Advance Synergy. Dato' Ahmad holds a Bachelor of Arts (Hons) degree from the University of Malaya, Kuala Lumpur which he obtained in 1973, a diploma in journalism from the Thomson Foundation, United Kingdom which he obtained in 1976, as well as a Master of Arts from Michigan State University, US, which he obtained in 1982.

Mr Wong Tze Leng is both our Executive Director and CEO and was appointed to our Board on 27 December 2002. Mr Wong has over 15 years' experience in the information technology industry, with specific expertise in the telecommunications sector. He started his career in 1988 as an engineer in the Singapore Institute of Standards & Industrial Research's design and development centre. He gained specialised expertise in computer telephony technology when he joined Federal Computer Services Pte Ltd in 1990 as a software engineer and later progressed to the position of software manager. In 1993, he joined Dialogic as an applications engineer and was later promoted to the position of business development director for the Asia Pacific Region. During his career with Dialogic, he established a close rapport and working relationship with numerous IT companies and telcos in the Asia Pacific region. In 1998, he left Dialogic and founded our Group. Mr Wong graduated from Monash University, Victoria, Australia, with a Bachelors degree in Computer Science in 1985 and subsequently obtained a Bachelors degree in Electrical and Electronic Engineering in 1987 from the same university.

Ms Lee Su Nie is a Non-executive Director of our Company and was appointed to our Board on 18 December 2003. She is also the Group General Manager, Operations, of Advance Synergy. Ms Lee graduated from the University of Birmingham, United Kingdom, with a Bachelor of Commerce (Accounting) degree in 1983 and went on to pursue her Masters of Science (Business Administration) at the University of Bath, United Kingdom, in 1984. In 1985, she joined Kassim Chan Management Consultants Sdn. Bhd. where she provided management consultancy services. Ms Lee joined the Corporate Finance Department of Rakyat Merchant Bankers Berhad in 1989. In 1991, she left Rakyat Merchant Bankers Berhad to join Perdana Merchant Bankers Berhad (now known as Southern Investment Bank Berhad). Ms Lee subsequently left her position as First Vice President, Corporate Finance of the Bank to join Advance Synergy in 1995 and presently holds directorships in several private companies within the Advance Synergy group of companies. Ms Lee is also a Fellow of The Association of Chartered Certified Accountants.

Mr Chuah Seong Phaik is an Independent Director of our Company and was appointed to our Board on 18 December 2003. He is a fellow of the Institute of Chartered Accountants in England and Wales, a Chartered Accountant of the Malaysian Institute of Accountants, a Certified Public Accountant with the Malaysian Institute of Certified Accountants and and an Associate Member of the Institute of Internal Auditors of Malaysia. He has extensive experience in audit, finance and management including eight years as the finance director of Golden Pharos Sdn Bhd (now Golden Pharos Berhad). He is the founder and Managing Partner of Messrs Paul Chuah & Co. He is currently an Independent Non-Executive Director of each of CHG Industries Bhd, Triumphal Associates Berhad and A.A. Anthony Securities Sdn Bhd.

Mr Phuah Peng Hock is an Independent Director of our Company and was appointed to our Board on 18 December 2003. He graduated from the University of Strathclyde, United Kingdom, with a Bachelor of Engineering (Hon) in 1987. He also holds a Graduate Diploma of Marketing Management from the Marketing Institute of Singapore, and a Graduate Diploma in Marketing from the Chartered Institute of Marketing, United Kingdom which he obtained in 1990 and 1995 respectively. He obtained his Masters Degree in Entrepreneurship & Innovation from Swinburne University of Technology, Australia in 1994. He started his career with Texas Instruments (S) Pte Ltd and subsequently joined the Design and Development Centre of the then Singapore Institute of Standards & Industrial Research as an Automation Design Engineer in 1988. In 1990 he switched to a business development role when he joined Dynacast (S) Pte Ltd, a United Kingdom-based die-casting company doing regional marketing work, and Ugimagnetic (S) Pte Ltd, a European-based manufacturer of magnet assembly for disk drives, as Marketing Manager in 1992. Subsequently, he joined Enterprise Promotion Centre Pte Ltd, a company set up by the Economic Development Board of Singapore, as a Senior Consultant in 1994. During his seven years with the Enterprise Promotion Centre, he was involved in various areas of management consultancy including business and strategic planning, franchising, business process improvement, information technology strategy and implementation, business conceptualisation as well as pre-initial public offering assessment and preparation. Mr Phuah is currently the Senior Partner with Advisor Associates (S) Pte Ltd, which he co-founded. Advisor Associates (S) Pte Ltd is a boutique management consultancy outfit specialising in business growth mentorship.

Dato' Ahmad Sebi Bakar is the Executive Chairman and a substantial stockholder of Advance Synergy, which wholly owns Worldwide Matrix, the Controlling Shareholder of our Company. Lee Su Nie is a director of Worldwide Matrix and an employee of Advance Synergy.

None of our Directors are related by blood or marriage to one another or to our Substantial Shareholders.

MANAGEMENT

Our day-to-day operations are entrusted to our Executive Officers whose particulars, as at the Latest Practicable Date, are as follows:–

Name	Age	Address	Position
Ho Ting Sai	37	7 Jalan Mata Ayer #01-34 Euphony Gardens Singapore 759152	Sales Director
Tang Chang Thai	47	Blk 348 Hougang Ave 7 #04-591 Singapore 530348	General Manager, China Operations
Lim Chu Kiat	34	20 Solok Piggot 10450 Georgetown Pulau Pinang Malaysia	Technical Director
Chin Wei Li	33	No. 358 Market Lane 68000 Ampang Kuala Lumpur Malaysia	Group Financial Controller
Raymond Suen Kok Hong	47	Blk 253 Bangkit Road #12-220 Singapore 670253	Business Development Director

Information on the business and working experience of our Executive Officers is set out below:–

Mr Ho Ting Sai is our Sales Director. He is also currently a director of Attrix Singapore and was appointed in that capacity on 21 December 2001. His main areas of responsibility are sales, marketing and general management of Unified Singapore. Mr Ho joined Unified Singapore on 1 March 1999 as Vice President (Operations) and subsequently assumed the role of Sales Director of the Group. He has more than 10 years' of experience in the info-communications technology industry with core competencies in telecommunication products and services. Prior to joining Unified Singapore, Mr Ho was an R&D engineer in Agilis Communications Pte Ltd from 1994 to 1995 and a product manager in Dialogic from 1995 to 1998. Mr Ho graduated from the Nanyang Technology University with a Bachelor of Engineering (Hons) degree in Electrical and Electronic Engineering in 1994.

Mr Tang Chang Thai is the General Manager of our China operations and has been involved in the information technology industry for more than 20 years. His began his career with the Ministry of Defence of Singapore in the area of defence science technology, and was involved in real-time communication. Subsequently, he moved to Singapore Telecommunications to spearhead the broadband adoption as Head of the Software Lab and domestic telephone operations as Director (Consumer Sales). Prior to joining our Group, he was Director (Technology) in Keppel T&T Limited involved in exploring commercial opportunities for new technologies. He graduated with a Bachelor of Science from Nanyang University in 1980 and obtained a diploma from the Association of Certified Chartered Accountants (UK) in 1982.

Mr Lim Chu Kiat is our Technical Director and is responsible for our Group's overall software and systems development strategy and activities, technical support, technical operations, product planning and marketing activities. Mr Lim joined our Group on 3 June 2002. He was also appointed as a director of Attrix Malaysia in August 2002 and continues to hold this position. Mr Lim started his career with DiGi Telecommunications (formerly known as Mutiara Telecommunications Sdn. Bhd.) in 1995 as a communications engineer in the International Switching Section. He progressed to the position of manager, where he oversaw the creation and establishment of the international switching operations to support Mutiara Telecommunications Sdn. Bhd.'s international voice business. In 1999, he was promoted to the position of senior manager and served the commercial section of DiGi Telecommunications' International Carrier Services Division, where he was responsible for the business strategy, and the sales and marketing of international carrier products. He left DiGi Communications in 2000 and joined Bandwidth Asia (Hong Kong) Ltd, a company incorporated in Hong Kong, as marketing director where he was responsible for the overall business strategy and marketing of wholesale VoIP and circuit switched voice and international bandwidth services. Mr Lim graduated from the University of Alberta, Edmonton, Canada in 1992 with a Bachelor of Science (BSc) degree in computing, specialising in business studies. He holds a Master of Science (MSc) degree in computing science, majoring in telecommunications, which he obtained in 1994 from the University of Alberta, Canada.

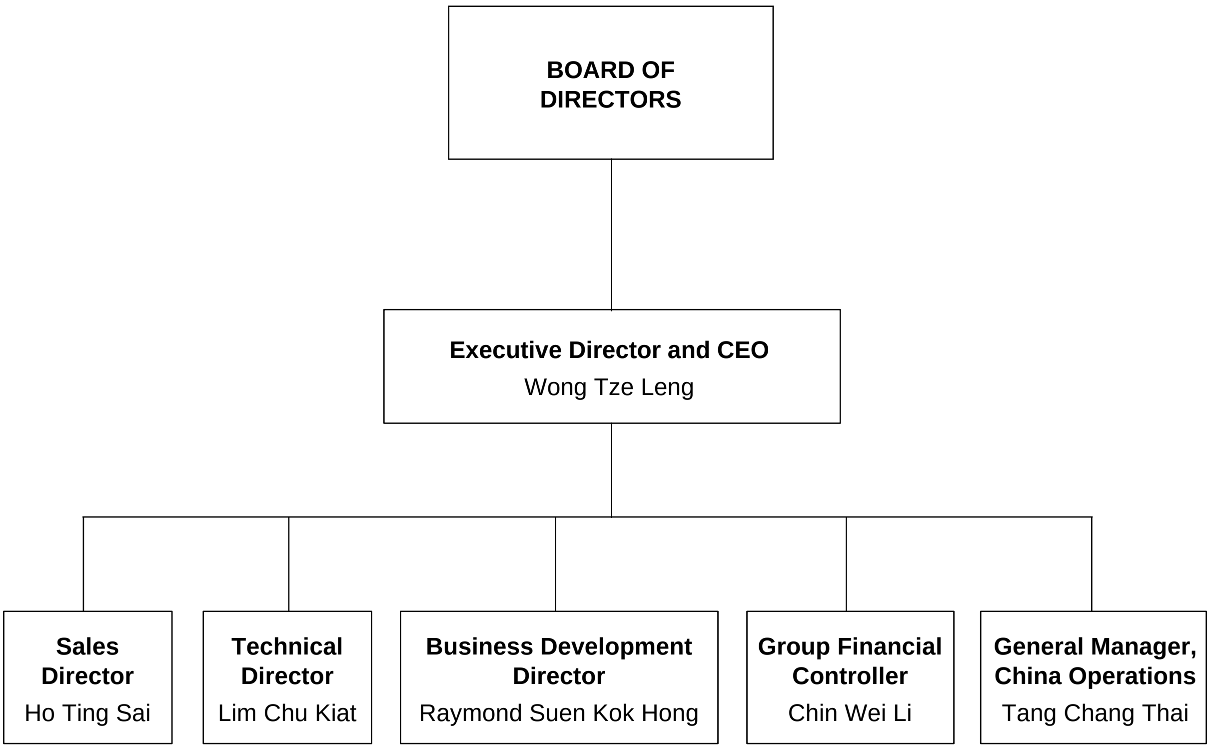
Ms Chin Wei Li is our Group Financial Controller. She joined our Group in January 2001 as our Group financial controller and was a director of Attrix Malaysia between March 2002 and August 2002. She started her career in December 1989 with the Corporate Care and Insolvency Services Department of Coopers & Lybrand (now known as PricewaterhouseCoopers) as an assistant, where she pursued her articleship. Subsequently, in December 1991 she was transferred to the audit department where she gained extensive experience in auditing public listed companies involved in various industries such as property, finance and banking, timber and publishing. She left PricewaterhouseCoopers as a Senior Manager to join our Group in January 2001. Ms Chin is a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants and a Chartered Accountant of the Malaysian Institute of Accountants.

Mr Raymond Suen Kok Hong is our Business Development Director and oversees the business development of our Group in the Asia Pacific region. He joined Unified Singapore on 16 October 2001 as Director of Business Development. Mr Suen has more than 25 years of working experience in the telecommunications industry, notably in sales and marketing, project management, business development, information technology and operations. He joined Singapore Telecommunications in 1976 as a technician and was promoted to business development manager in 1999, overseeing Singapore Telecommunications' international joint ventures and subsidiaries. Between 1990 and 2000, he was seconded to Singapore Telecommunications International Pte Ltd, the international arm of Singapore Telecommunications to manage its joint ventures with telecommunications companies in Asia including Thailand, Vietnam, Cambodia and Indonesia. During his secondment, he was appointed as the branch manager cum engineering operations division manager for Shinawatra Paging Company in Thailand from October 1990 to January 1994 and the marketing manager of Saigon Mobile Telephone Company in Vietnam from February 1994 to May 1996. Mr Suen was subsequently appointed the chief operating officer of SingTel Cambodia Pte Ltd, a wholly-owned subsidiary of Singapore Telecommunications in May 1996 and spearheaded its operations in Cambodia until October 1997. From October 1997 to March 1998, Mr Suen was the project manager for Bukaka SingTel International Pte Ltd in Indonesia. Mr Suen returned to Singapore in 1999 and left Singapore Telecommunications in 2000 to join Network 365 Ltd, a company incorporated in the Republic of Ireland offering mobile commerce solutions, as its director of business development (Asia) from November 2000 to October 2001. Mr Suen holds a Masters degree of science in international marketing from the University of Strathclyde, Glasgow, Scotland, which he obtained in 1999.

None of our Executive Officers are related by blood or marriage to one another, to any of our Directors or to our Substantial Shareholders as the case may be.

MANAGEMENT REPORTING STRUCTURE

The following chart shows our management reporting structure as at the Latest Practicable Date:–



STAFF

As at 31 December 2000, 2001, 2002 and the Latest Practicable Date, we had 41, 100, 156 and 203 full-time staff (excluding our Executive Director) respectively in our Singapore, Malaysia, Philippines and Hong Kong operations. The breakdown of our staff by staff category and geographical regions is as follows:–

By staff category	As at 31 Dec 2000	As at 31 Dec 2001	As at 31 Dec 2002	As at the Latest Practicable Date
Sales and Marketing	7	18	32	57
Technical Support and Services	17	38	58	82
Corporate/Finance and Administration	5	18	24	19
Software and Systems Development	12	26	42	45
	41	100	156	203

By geographical regions	As at 31 Dec 2000	As at 31 Dec 2001	As at 31 Dec 2002	As at the Latest Practicable Date
Singapore	14	32	40	55
Malaysia	27	61	102	126
Philippines	—	7	14	17
Hong Kong	—	—	—	5
	41	100	156	203

As and when the need arises, we employ staff on a contract basis. These contract staff are usually employed for a period of six months, but their term of employment may be extended at our discretion. At the Latest Practicable Date, we had 29 staff who were employed on a contract basis in Singapore, Malaysia and the Philippines in various positions ranging from technical support to sales and marketing.

Our staff are not unionised. We believe that the relationship and cooperation between our management and staff is good and we expect this to continue in the future. There have been no labour disputes or work stoppages which affected our operations.

STAFF TRAINING AND DEVELOPMENT

We recognise the importance of our intellectual assets. We believe that they are a major contributing factor towards the development of solutions for the industry and that our staff is our most important resource. As such, our Group places strong emphasis on staff training and development and is committed to ensuring that our staff upgrade, acquire new knowledge and skills to improve their competency and enabling them to offer a consistent level of quality service to our customers. On a quarterly basis, our management analyses, develops, coordinates and conducts both in-house and external training sessions for our staff. The areas in which we provide training to our staff encompass technical as well as non-technical areas, such as sales training and team building.

All our new staff undergo an in-house orientation programme and depending on their job specifications, will either undergo structured training or on-the-job training.

We have also established a staff knowledge resource centre where our staff can access a variety of reference materials, in hardcopy or electronic form, as well as share information online through our corporate intranet system. In the field, trouble-shooting and problem-solving experiences are also recorded and shared through our in-house fault reporting and management system so that systems engineers can refer to past cases to learn from and expedite the resolution of technical problems in the field. In addition, our Group, from time to time, also organises training sessions for supplier-specific engineering and product training jointly with our suppliers such as Intel, Quintum Technologies and Excel Switching Corp to update the knowledge and skills of our staff.

Our staff training and development expenditure for FY2000, FY2001, FY2002 and 1H2003 was as follows:–

	FY2000	FY2001	FY2002	1H2003
Staff training and development expenditure (S$'000)	2.8	63.9	48.3	19.4
Staff training and development expenditure as % of total operating expenses	0.13	1.31	0.72	0.52

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

The remuneration paid or payable to each of our Directors and Executive Officers for services rendered to us and our subsidiaries in all capacities for FY2001, FY2002 and the estimate for FY2003, were or are as follows:–

Names	FY2001	FY2002	Estimated amount for FY2003
Directors			
Dato' Ahmad Sebi Bakar	—	—	Band A[1]
Wong Tze Leng	Band A	Band A	Band A
Lee Su Nie	—	—	Band A
Chuah Seong Phaik	—	—	Band A
Phuah Peng Hock	—	—	Band A
Executive Officers			
Ho Ting Sai	Band A	Band A	Band A
Tang Chang Thai	—	—	Band A
Lim Chu Kiat	—	Band A	Band A
Chin Wei Li	Band A	Band A	Band A
Raymond Suen Kok Hong	Band A	Band A	Band A

Notes:–

(1) Band A means between S$1 and S$250,000.

The table does not take into account any performance bonus that our Executive Director may be entitled to pursuant to the Service Agreement, further details of which are set out in the section entitled "Service Agreement" on pages 104 and 105 of this Prospectus.

PENSION OR RETIREMENT BENEFITS

Save for statutory contributions in the jurisdiction in which we employ staff, we do not set aside or accrue any pension, retirement or similar benefits for any of our Directors and staff.

SERVICE AGREEMENT

On 19 December 2003, our Company entered into the Service Agreement with our Executive Director, whereby our Executive Director agreed to be appointed as CEO of our Company. The appointment of our Executive Director commenced on 1 November 2003 and will continue for a period of 3 years (unless terminated by either party giving three months' prior written notice). The Service Agreement may be terminated immediately by our Company without prior written notice on the occurrence of certain specified events, including persistent material breach of obligations, misconduct or bankruptcy on the part of our Executive Director. The Service Agreement does not provide for any benefits upon termination of employment.

Under the terms of the Service Agreement, the monthly salary of our Executive Director is S$10,000. In addition, commencing from FY2004, our Executive Director may receive an annual performance bonus (the "Performance Bonus") if our Group's annual audited consolidated profit after tax ("PAT")[1] exceeds S$10 million for the relevant financial year. The amount of such Performance Bonus shall be determined at the discretion of the Board, subject to a maximum sum equivalent to 12 months' salary from time to time.

Note:–

(1) For the purposes of determining the Performance Bonus, the PAT shall be our Group's audited consolidated profits prior to payment of the relevant Performance Bonus (if any) and after tax, excluding any exceptional items and extraordinary items.

Our Executive Director is also entitled to certain benefits, including a company car and keyman and health insurance benefits.

Our Executive Director is also subject to restrictive covenants under the Service Agreement, restraining him from, *inter alia,* engaging in any business competitive with the business of our Group in Malaysia or Singapore, and from soliciting any customer or employee of our Group, for a period of two years from the date of the termination of his employment.

Had the Service Agreement been in effect for FY2002, the total remuneration payable (comprising Director's fees, salaries, annual bonuses, incentive bonuses and provident fund contributions thereon) to our Executive Director would have been S$0.1 million and the profit after tax for FY2002 would have been S$8.9 million instead of S$9.0 million.

Save as disclosed above, there are no other existing or proposed service agreements between our Company and any of our Directors or Executive Officers.

MANAGEMENT PERFORMANCE INCENTIVE

Worldwide Matrix, our Controlling Shareholder, intends to grant to certain key members of our management, namely Wong Tze Leng, Ho Ting Sai, Tang Chang Thai, Lim Chu Kiat, Chin Wei Li, Raymond Suen Kok Hong and other management staff, a management performance incentive in the form of options to collectively purchase up to 5% of the post-Invitation shareholding of Worldwide Matrix in our Company (the ''Management Performance Incentive Shares''). The grant of the options is conditional on the Proforma Group achieving a minimum consolidated audited profit after tax (''CAPAT'') of S$10 million each for FY2003 and FY2004.

The number of Management Performance Incentive Shares is dependent on the CAPAT achieved by our Group for FY2004 as follows:–

	Management Performance Incentive Shares			
Performance Targets that the Proforma Group has to achieve	**Number of Shares**	**As a % of Worldwide Matrix's shareholdings in our Company immediately after the Invitation**	**As a % of our share capital immediately before the Invitation**	**As a % of our share capital immediately after the Invitation**
CAPAT of 2004 is S$10 million to S$12 million	5,589,688	3.0	2.0	1.7
CAPAT of 2004 is more than S$12 million to S$15 million	7,452,918	4.0	2.6	2.3
CAPAT of 2004 is more than S$15 million	9,316,147	5.0	3.3	2.9

Upon the exercise of the option, each of the relevant management personnel would be required to pay the Invitation Price per Share for the Management Performance Incentive Shares.

The Management Performance Incentive Shares are to be allocated among these members of our management based on their individual contributions to the growth of our Company, as determined by the Board and Worldwide Matrix. The Board and Worldwide Matrix may in their absolute discretion from time to time expand the group of potential recipients of the Management Performance Incentive Shares to include other executives who have contributed to the growth of our Company.

The options are exercisable for a period of six months commencing from the date of the audited financial statements of our Company for the financial year ending 31 December 2004.

INTERESTED PERSON TRANSACTIONS

The following represent transactions undertaken by our Group with our Interested Persons (as defined in Chapter 9 of the SGX-ST Listing Manual) for the three most recent completed financial years and up to the Latest Practicable Date. Save as disclosed below and under the section entitled ''Group Restructuring'' on pages 96 and 97 of this Prospectus, none of our Directors or Controlling Shareholders or their associates has any interest in any material transaction undertaken by us for the periods under review.

PAST INTERESTED PERSON TRANSACTIONS

(a) Advances from our Executive Director to Unified Malaysia, Unified Singapore and Unified Hong Kong

Our Executive Director had, from time to time, advanced funds to Unified Malaysia, Unified Singapore and Unified Hong Kong for working capital purposes. Such advances were made on an interest-free basis and without any fixed terms of repayment.

The aggregate amounts owing to our Executive Director as at the end of each of the past 3 FYs and as at 30 June 2003 were as follows:

(S$'000)	As at 31 Dec 2000	As at 31 Dec 2001	As at 31 Dec 2002	As at 30 Jun 2003
	568,917	1,011,751	484,953	125,882

The largest sum advanced by our Executive Director was RM3.34 million in April 2002. At the time such advances were made, our Executive Director was the substantial shareholder of Unified Malaysia and Unified Singapore, the latter of which owns 51% of Unified Hong Kong. As at the date of this Prospectus our Group has fully repaid all outstanding advances by our Executive Director. We do not intend to obtain any further financial support from our Executive Director in the future.

(b) Acquisition of 51% of the issued and paid-up share capital of Unified Hong Kong by Unified Singapore from our Executive Director

Unified Hong Kong was incorporated by our Executive Director on 5 July 1999. On 22 November 2002, Unified Singapore acquired 5,100 ordinary shares in Unified Hong Kong representing 51% of the total issued and paid-up share capital of HK$1.00 par value of Unified Hong Kong from our Executive Director for HK$5,100. The acquisition of Unified Hong Kong was a one-off transaction undertaken pursuant to our Group's plan to use Unified Hong Kong as the vehicle for marketing our solutions in the Greater China region. The remaining 49% of Unified Hong Kong is held by Adtralink Limited. None of our directors or Substantial Shareholders have any interest, direct or indirect, in Adtralink Limited.

(c) Provision of maintenance services by Unified Malaysia to Advance Synergy and Advance Synergy Capital Berhad (''Advance Synergy Capital'')

Advance Synergy owns 100% of Worldwide Matrix, which is the Controlling Shareholder of our Company and a Vendor. Advance Synergy Capital is 51.0% owned by Advance Synergy.

Unified Malaysia had on various occasions in 2002 provided Advance Synergy and Advance Synergy Capital with maintenance services in respect of their LAN and other computer equipment.

The total amount charged to Advance Synergy and Advance Synergy Capital respectively was as follows:–

	FY2002
Advance Synergy	RM3,275
Advance Synergy Capital	RM3,275

Since 31 December 2002, our Group has not provided any such maintenance services to Advance Synergy or Advance Synergy Capital. However, Advance Synergy or Advance Synergy Capital may engage Unified Malaysia to provide maintenance and technical support services in relation to their computer systems in the future.

Our Directors believe that the said transactions were entered into between Unified Malaysia and Advance Synergy and Advance Synergy Capital on an arm's length basis as the amounts to be paid by Advance Synergy and Advance Synergy Capital were based on the existing rates which Unified Malaysia charged its other customers for such services. Our Audit Committee will review the terms and conditions of any future agreement for the provision of any maintenance services by Unified Malaysia to Advance Synergy and Advance Synergy Capital in accordance with the review procedures set out in the section entitled ''Review Procedures for Future Interested Person Transactions'' on pages 110 and 111 of this Prospectus to ensure that they are on an arm's length basis.

(d) Arrangements in respect of the company car provided by Unified Malaysia for our Executive Director's use

Pursuant to our Executive Director's service agreement with Unified Malaysia, our Executive Director was entitled to the use of a company car of a value up to RM270,000, the cost of which was to be borne by Unified Malaysia. By mutual agreement between our Executive Director and Unified Malaysia, a car was purchased at a price of RM0.6 million. An amount of RM25,000 and RM99,076 was respectively paid up front by our Executive Director and Unified Malaysia and the balance financed by way of hire purchase. This resulted in an amount payable by Unified Malaysia to our Executive Director. On 15 October 2003, Unified Malaysia increased our Executive Director's car entitlement limit to the full value of the car purchased and repaid him all amounts paid by him, amounting to RM25,000.

(e) Sharing of broadband line lease charges between Unified Malaysia, Advance Synergy and Advance Synergy Capital

From July 2003 to 30 September 2003, Unified Malaysia, Advance Synergy and Advance Synergy Capital shared the lease charges for a 2M SDSL broadband line leased by Unified Malaysia from TIME dotNET Berhad. The use of the line is shared between the companies and the monthly lease charges are shared based on the estimated usage by the companies. Accordingly, 50% of the charges are borne by Unified Malaysia, 25% by Advance Synergy and 25% by Advance Synergy Capital. Unified Malaysia paid TIME dotNET Berhad the total amount of the lease charges and invoices Advance Synergy and Advance Synergy Capital the amount of their respective shares of the lease charges. Previously, from August 2002 to June 2003, the three companies had shared the lease charges for a lower capacity broadband Internet access line leased by Unified Malaysia from TIME dotNET Berhad on the same basis.

The total amount charged to Advance Synergy and Advance Synergy Capital respectively by Unified Malaysia is as follows:–

	FY2002	**1H2003**	**From 1 July 2003 to the Latest Practicable Date**
Advance Synergy	RM1,700	RM2,040	RM1,064
Advance Synergy Capital	RM1,700	RM2,040	RM1,064

Our Directors believe that the said transaction was entered into between Unified Malaysia and Advance Synergy on an arm's length basis as the respective amounts paid are based on estimated usage of the broadband lease line by the two companies. In any event, our Audit Committee will review the terms and conditions of any future transactions between Unified Malaysia and Advance Synergy in respect of the sharing of broadband line lease charges.

PRESENT INTERESTED PERSON TRANSACTIONS

(a) Sub-Lease of Office Premises by icontaQ Hong Kong Limited ("icontaQ Hong Kong") to Unified Hong Kong

Our Executive Director is a shareholder and director of icontaQ Hong Kong. Unified Hong Kong leases office space in Room 1902, 19/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, under a sub-lease with icontaQ Hong Kong. icontaQ Hong Kong leases the said office premises from Tilpifa Company Limited (''Tilpifa'') under a tenancy agreement dated 15 October 2002, which is valid for a term of 2 years commencing 16 December 2002 and expiring on 15 December 2004, with an option to renew for a further one year.

Pursuant to the terms of the said tenancy agreement, icontaQ Hong Kong is permitted to sub-let the premises to third parties with the prior written consent of Tilpifa. In consideration of Unified Hong Kong sub-letting office space at the said office premises from icontaQ Hong Kong, icontaQ Hong Kong charged Unified Hong Kong HK$12,987 per month as rental, which is the same monthly rental rate payable by icontaQ Hong Kong for its lease of the property. From July 2003 onwards, the rental was increased to HK$18,181 per month due to Unified Hong Kong sub-letting additional space from icontaQ Hong Kong.

The total amount of rental invoiced to Unified Hong Kong is as follows:–

	1H2003	**From 1 July 2003 to the Latest Practicable Date**
Invoiced by icontaQ Hong Kong	HK$77,922	HK$99,996

Unified Hong Kong is currently negotiating to take over the lease of the said premises. If successful, Unified Hong Kong will lease the premises directly from Tilpifa.

(b) Sub-lease of office premises by Unified Singapore to Linear Cooling Industries Pte Ltd ("Linear Cooling") and icontaQ Asia Pte Ltd ("icontaQ Singapore")

Linear Cooling is a wholly-owned subsidiary of Linear Corporation, which in turn holds 100% of Primeace Holdings, our Substantial Shareholder and a Vendor. Our Executive Director is a director of icontaQ Singapore, and also holds 68% of the total issued and paid-up capital of icontaQ Singapore of S$0.5 million.

Unified Singapore sub-leases 3,648 sq.ft. of its office premises at 22 Malacca Street, #12-00 Royal Brothers Building, Singapore, to Linear Cooling and icontaQ Singapore. Under its tenancy agreement with Royal Brothers Development Pte Ltd (''Royal Brothers''), Unified Singapore is permitted to sub-let the said premises to third parties with the prior written consent of Royal Brothers. Such consent was obtained on 15 September 2001.

However, Unified Singapore, Linear Cooling and icontaQ Singapore have not entered into any formal tenancy agreement for the sub-lease of the said premises and Unified Singapore invoices Linear Cooling and icontaQ Singapore on a monthly basis for the rental payable in respect of the said premises. Each of Linear Cooling and icontaQ sub-leases an equal area of the property and each is being charged S$6,750 per month as rental by Unified Singapore.

The total amount of rental charged to Linear Cooling and icontaQ Singapore respectively by Unified Singapore from the date of commencement of the said tenancy on 15 September 2001 is as follows:–

	FY2001	**FY2002**	**1H2003**	**From 1 July 2003 to the Latest Practicable Date**
Linear Cooling	S$23,850	S$81,000	S$40,500	S$37,125
icontaQ Singapore	S$44,683	S$81,000	S$40,500	S$37,125

Unified Singapore does not intend to continue sub-letting the said office premises to Linear Cooling and icontaQ Singapore for its office space when the lease expires. Our Directors believe that the said sub-lease was entered into between Unified Singapore, Linear Cooling and icontaQ Singapore on an arm's length basis as the rent payable by Linear Cooling and icontaQ Singapore to Unified Singapore is proportionate to the rental paid by Unified Singapore under its tenancy agreement with Royal Brothers in respect of the area sub-let by Unified Singapore to Linear Cooling and icontaQ Singapore.

(c) Sub-lease of office premises by Unified Malaysia from Advance Synergy Capital

Advance Synergy Capital is a subsidiary of Advance Synergy, which in turn holds all of the issued and paid-up share capital of Worldwide Matrix, the Controlling Shareholder of our Company and a Vendor.

Unified Malaysia sub-leases its current office premises at Level 3A, Annexe Block, Menara Milenium, 8 Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia, from Advance Synergy Capital. However, Unified Malaysia and Advance Synergy Capital have not entered into any formal tenancy agreement and Advance Synergy Capital invoices Unified Malaysia on a monthly basis for the rental of RM39,943 per month in respect of the said premises.

The total amount of rental charged to Unified Malaysia by Advance Synergy Capital from the date of commencement of the said tenancy on 8 July 2002 is as follows:–

	FY2002	**1H2003**	**From 1 July 2003 to the Latest Practicable Date**
Total invoiced by Advance Synergy Capital	RM239,655	RM239,655	RM219,684

Unified Malaysia intends to continue renting and utilising the said office premises from Advance Synergy Capital for its office space. Our Directors believe that the said tenancy was entered into between Unified Malaysia and Advance Synergy Capital on an arm's length basis as the rate of rental payable by Unified Malaysia to Advance Synergy Capital is the same as the rate of rental payable by Advance Synergy Capital for its lease of the property. Our Audit Committee will review the terms and conditions of the said tenancy in accordance with the review procedures set out in the section entitled ''Review Procedures for Future Interested Person Transactions'' on pages 110 and 111 of this Prospectus to ensure that the tenancy is on an arm's length basis.

(d) Guarantees provided for banking facilities

The directors of Unified Malaysia and Linear Corporation, our Substantial Shareholder, had from time to time provided personal guarantees to secure banking facilities for the Group. The amounts guaranteed as the Latest Practicable Date in relation to the banking facilities are set out in the section entitled ''Liquidity and Capital Resources'' on pages 55 to 57 of this Prospectus.

We intend to procure the discharge of such guarantees from the banks concerned by providing our corporate guarantees upon listing and quotation of our Shares on the SGX-ST. Should the banks not agree to the discharge of the said guarantees, the guarantors will continue to guarantee such facilities.

REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

All future interested person transactions will be properly documented and submitted to our Audit Committee for periodic review to ensure that they are carried out on an arm's length basis, at normal commercial terms and will not be prejudicial to the interests of our Shareholders. Our Audit Committee will adopt the following procedures when reviewing interested person transactions:–

(i) When purchasing items from or engaging the services of an interested person, two other quotations from non-interested persons will be obtained for comparison, to ensure that the interests of minority Shareholders are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including, but not limited to quality, delivery time and track record will be taken into consideration;

(ii) When selling items or supplying services to an interested person, the price and terms of two other successful sales of a similar nature to non-interested persons will be used for comparison, to ensure that the interests of minority Shareholders are not disadvantaged. The sale price or fee for the supply of services shall not be lower than the lowest sale price or fee of the two other successful transactions with non-interested persons; and

(iii) When renting properties from or to an interested person, appropriate steps shall be taken to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant inquiries with landlords of similar properties and obtaining suitable reports or reviews published by property agents (as necessary). The rent payable shall be based on the most competitive market rental rate of similar property in terms of size and location, based on the results of the revelant inquiries.

Our Audit Committee will review all interested person transactions, if any, at least quarterly to ensure that they are carried out on an arm's length basis and in accordance with the procedures outlined above. It will take into account all relevant non-quantitative factors. In the event that a member of the Audit Committee is interested in any interested person transaction, he will abstain from reviewing that particular transaction. Furthermore, if during these periodic reviews, the Audit Committee believes that the guidelines and procedures as stated above are not sufficient to ensure that the interests of minority Shareholders are not prejudiced, we will adopt new guidelines and procedures.

In addition, our Audit Committee will include the review of interested person transactions as part of its standard procedures while examining the adequacy of its internal controls. Our Board of Directors will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the SGX-ST Listing Manual and accounting standards, are complied with. In addition, such transactions will also be subject to Shareholders' approval if deemed necessary by the SGX-ST Listing Manual.

Currently, we have not sought and we do not intend to seek a Shareholders' mandate for the interested person transactions as disclosed in this section as we will comply with the provisions of Chapter 9 of the SGX-ST Listing Manual in respect of all future interested person transactions if and when required to do so under the SGX-ST Listing Manual.

POTENTIAL CONFLICTS OF INTEREST

Our CEO and Executive Director, Wong Tze Leng, is a non-executive director of Nusuara Technologies Sdn. Bhd. (''Nusuara''), which is a customer of our Group. Nusuara is a company that builds speech recognition software engines. The majority shareholder of Nusuara is Malaysia Venture Capital Management Bhd, a company incorporated by the Government of Malaysia and controlled by the Minister for Finance whose objectives are to invest in, nurture and grow the technology sector and the venture capital market in Malaysia.

Our Group's speech recognition applications may utilise Nusuara's engines and we may purchase Nusuara's speech engine software in the future. Further, Nusuara may from time to time purchase from our Group components and products that we distribute.

Our Executive Director will not participate in any decision-making process and will abstain from voting as a director of any of our Group companies on any matter involving Nusuara and our Group. Further, our Audit Committee will review the terms and conditions of any agreement entered into between Nusuara and any of our Group companies from time to time to ensure that it is at arm's length and not prejudicial to the interests of our Shareholders.

Save as disclosed above and under the section entitled ''Interested Person Transactions'' on pages 106 to 110 of this Prospectus:–

(a) none of our Directors, Controlling Shareholders or their associates or Executive Officers has an interest, direct or indirect, in any material transaction to which our Group was or is a party;

(b) none of our Directors, Controlling Shareholders or their associates or Executive Officers has an interest, direct or indirect, in any enterprise or company carrying on the same business as our Group or dealing in similar products as our Group; and

(c) none of our Directors, Controlling Shareholders or their associates or Executive Officers has an interest, direct, or indirect, of more than 5% in any enterprise or company that is our Group's major customer or supplier of goods or services.

Our Articles of Association provide that our Board will consist not less than two Directors. None of our Directors are appointed for any fixed terms, but one-third of our Directors for the time being (of if their number is not a multiple of three, the number nearest to but not less than one-third) is required to retire by rotation at every annual general meeting of our Company.

Our Directors recognise the importance of corporate governance and the need for the highest standard of accountability to our Shareholders. To adhere to the best practices as set out in the Code of Corporate Governance, our Board has therefore formed the following committees: (i) the Audit Committee; (ii) the Remuneration Committee; and (iii) the Nominating Committee.

Audit Committee

Our Audit Committee comprises Chuah Seong Phaik, Phuah Peng Hock and Lee Su Nie. Chuah Seong Phaik is the chairperson of our Audit Committee.

After the Invitation, our Executive Director and Executive Officers will continue to manage the business and operations of our Company. Recognising the importance of corporate governance and of offering high standards of accountability to our Shareholders, two of the three members of our Audit Committee are Independent Directors. They do not have any existing business or professional relationships with our Company, our Directors or Substantial Shareholders. To maintain high standards of corporate governance within our Company, our Audit Committee will meet periodically to perform the following functions:–

(a) review with the external auditors the audit plan, their evaluation of the system of internal controls, their audit report, their management letter and our management's response;

(b) review the quarterly and annual financial statements and balance sheet and profit and loss accounts before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

(c) review the internal control procedures and ensure co-ordination between the external auditors and our management, review the assistance given by our management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);

(d) review and discuss with the external auditors any suspected fraud and irregularity, or suspected infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;

(e) consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;

(f) review transactions falling within the scope of Chapter 9 of the Listing Manual as may be amended from time to time and such other rules and regulations under the listing rules of the SGX-ST that may be applicable in relation to such matters from time to time;

(g) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising therefrom and requiring the attention of our Audit Committee; and

(h) generally undertake such other functions and duties as may be required by Singapore law, the SGX-ST Listing Manual or the SFA and by such amendments made thereto from time to time.

Apart from the duties listed above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Company's operating results and/or financial position.

Remuneration Committee

Our Remuneration Committee comprises Phuah Peng Hock, Chuah Seong Phaik and Lee Su Nie. Phuah Peng Hock is the chairperson of our Remuneration Committee.

Our Remuneration Committee will meet periodically to perform the following functions:–

(a) recommend to our Board a framework for remuneration of our Executive Director and Executive Officers; and

(b) to determine specific remuneration packages for the Executive Director in consultation with the chairman of our Board.

The recommendations of the Remuneration Committee will be submitted for endorsement by the entire Board. All aspects of remuneration, including, but not limited to, Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind, shall be covered by the Remuneration Committee. Each member of the Remuneration Committee shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the Remuneration Committee in respect of his own remuneration package.

The Remuneration Committee will also be entrusted with the review and administration of our compensation schemes and remuneration packages for our Company from time to time. As part of its review, the Remuneration Committee will ensure that all aspects of the various schemes are comparable to other similar companies within the industry.

Nominating Committee

Our Nominating Committee comprises Chuah Seong Phaik, Phuah Peng Hock and Lee Su Nie. Chuah Seong Phaik is the chairperson of our Nominating Committee.

Our Nominating Committee will meet periodically to perform the following functions:–

(a) make recommendations to our Board on all appointments of Directors;

(b) determine annually whether or not a Director is independent;

(c) decide whether or not each Director is able to and has been adequately carrying out his duties as a director of our Company;

(d) decide how our Board's performance may be evaluated and propose objective performance criteria; and

(e) execute the process implemented by our Board for assessing the effectiveness of our Board as a whole and assessing the contributions by each individual director to the effectiveness of our Board and to disclose this assessment annually.

EXCHANGE CONTROLS

EXCHANGE CONTROLS IN MALAYSIA

Foreign exchange controls in Malaysia are governed by the Exchange Control Act 1953 (''ECA'') and the Exchange Control of Malaysia Notices (''ECM Notices'') issued pursuant thereto. The principal authority responsible for exchange control matters is the Controller of Foreign Exchange, Bank Negara Malaysia (the ''Controller'').

As an MSC status company, Unified Malaysia has been granted general permission by the Controller to carry out all activities which are regulated under the ECA and the ECM Notices, subject to it complying with certain conditions prescribed by the Controller. These conditions are described in further detail in the section entitled ''Government Regulations'' on pages 116 to 121 of this Prospectus.

However, if Unified Malaysia's MSC status were to be revoked, it may adversely affect its business operations. For example, it would be required to obtain the prior permission of Bank Negara Malaysia for:–

(i) any credit facilities extended by any licensed banks, licensed merchant banks and non-residents in foreign currency exceeding an equivalent of RM5 million in the aggregate;

(ii) any trade financing facilities of any amount in foreign currency extended by any licensed banks and licensed merchant banks where the tenure of the credit exceeds 12 months.

As a resident[(1)], Unified Malaysia is also prohibited from obtaining any credit facility in RM from any non-resident.

Further, because Unified Malaysia is a non-resident controlled company (''NRCC'')[(2)], it would be required to obtain the prior permission of the Controller for:–

(i) any credit facilities for short-term trade financing extended by a resident in RM or any foreign currency where the tenure of the credit exceeds 12 months; and/or

(ii) any other credit facility extended by a resident in RM or any foreign currency which exceeds RM50 million.

Notes:–

For the purposes of the ECA and ECM Notices —

(1) *A ''resident'' means:–*

- a citizen of Malaysia, excluding a person who has obtained permanent resident status in a territory outside Malaysia and is residing outside Malaysia;
- a non-citizen of Malaysia who has obtained permanent resident status in Malaysia and is residing permanently in Malaysia; or
- person, whether body corporate or unincorporate, whether head office or branch, incorporated or registered with, or approved by any authority in Malaysia.

(2) A NRCC includes a company in Malaysia where more than 50% of its shareholding is held by non-residents and/or NRCCs.

EXCHANGE CONTROLS

Unified Malaysia is permitted to operate one or more inter-company accounts in foreign currency with our Company, Unified Singapore and Attrix Singapore, which are non-residents for the purposes of the ECA and ECM Notices. Unified Malaysia is also permitted to debit and credit such inter-company accounts and settle net balances of accounts arising from the offsetting of payables against receivables with our Company and Unified Singapore, provided that all inter-company settlements are made only in foreign currency. However, in the event that Unified Malaysia loses its MSC status, the prior permission of the Controller would be required to offset payables against receivables that are export proceeds or external credit facilities extended by our Company or Unified Singapore to Unified Malaysia.

The exchange control regulations in Malaysia do not however, restrict the repatriation of investments by our Company in Unified Malaysia and our Company is permitted to repatriate all profits, dividends, capital and capital gains arising from our Company's investment in Unified Malaysia.

Save as disclosed above, our operations are not subject to any exchange controls in any of the other jurisdictions in which our Group operates.

RELEVANT MALAYSIAN LAWS AND REGULATIONS APPLICABLE TO OUR GROUP

The following is a summary of Malaysian laws and regulations in force as at the Latest Practicable Date which are applicable to our Group:–

MALAYSIAN LAWS AND REGULATIONS APPLICABLE SPECIFICALLY TO UNIFIED MALAYSIA

MSC Status

The MSC was launched in 1997 and represents one of the efforts of the Malaysian Government to transform Malaysia into an industrial nation by 2020, by focusing on the development of multimedia and information technology products and services. Physically, the MSC is a corridor located in the Klang Valley in Malaysia, which has been designated by the Malaysian Government as a technology hub. To encourage local and international companies which are developers or heavy users of multimedia or information technology products and services to locate their headquarters or development activities within the MSC, the Malaysian Government offers various financial and non-financial benefits, incentives and privileges to such companies, which are guaranteed under the Malaysian Government's Bill of Guarantees in respect of companies with MSC status.

Unified Malaysia was granted MSC status on 21 December 2000 by the MDC, the body that oversees the development of the MSC. As an MSC status company, Unified Malaysia enjoys certain benefits, incentives and privileges, *inter alia*:–

— freedom of ownership by foreigners of up to 100% of the issued share capital of Unified Malaysia;

— 100% income tax exemption on profits generated by its MSC-qualifying activities; and

— freedom to employ an unlimited number of foreign ''knowledge workers'' (which is explained further below).

However, Unified Malaysia is required to adhere to the business activities outlined in its business plan submitted to the MDC together with its application for MSC status. Unified Malaysia is required to obtain the consent of the MDC for any changes to its business plan. The business presently carried on by Unified Malaysia is in accordance with such business plan.

Unified Malaysia is also required to adhere to the conditions set out in the MDC's letter of grant of MSC status dated 21 December 2000, which are as follows:–

— To carry out the following activities (the ''MSC Qualifying Activities''):–

  (a) develop mobile/wireless application solutions;

  (b) develop service providers grade multimedia conferencing system;

  (c) develop service providers grade public unified messaging system;

  (d) develop mobile phone management system;

  (e) further develop UniLink — open software platform;

  (f) special software implementation to customise, alter and enhance any of the software above to suit its clients' requirements;

  (g) provide support and services which include network design services, integration of equipment at customers' premises, on-site technical support, test assistance and setting up of an internet portal to provide technical assistance to clients that have installed Unified Malaysia's solutions; and

  (h) establishment of a regional telecommunications training centre for clients who have installed Unified Malaysia's solutions.

— To locate its headquarters and principal place of business and/or the operation of its MSC Qualifying Activities in Cyberjaya, Selangor Darul Ehsan, which is within the boundaries of the MSC. The location of Unified Malaysia's research and development activities in its office premises in Cyberjaya is towards satisfaction of this requirement.

— To ensure that at all times, at least 15% of its total number of staff (excluding support staff) are "knowledge workers". These are defined as individuals possessing any one or more of the following qualifications, namely five or more years' professional experience in multimedia/information technology businesses or in a field that is a heavy user of multimedia; or a university degree (in any discipline) or a graduate diploma (in multimedia or information technology) from a technical college, plus two or more years' professional experience in multimedia or information technology businesses or in a field which is a heavy user of multimedia.

— To continuously comply with the MSC's environmental guidelines as determined by the MDC from time to time.

— To submit a copy of its annual report and audited statements to the MDC in parallel with its submission of the same to the Companies Commission of Malaysia; and

— To comply with all statutory, regulatory and/or licensing requirements as may be applicable.

In addition to the conditions stated above, the MDC may, from time to time, at its discretion impose additional conditions or vary the existing conditions applicable to Unified Malaysia.

An MSC status company is also required to comply with the processes and procedures imposed by the MDC to monitor its activities and operations to ensure compliance with the conditions attached to the grant of MSC status or other terms and conditions imposed by the MDC from time to time, and to evaluate and assess its progress and assurances as contained in its application documents submitted to the MDC (including its business plan) and subsequent update documents. Failure to comply with these monitoring processes and procedures may result in Unified Malaysia's MSC status being withdrawn. Unified Malaysia may also have its MSC status revoked by the MDC if it fails to comply with any of the terms and conditions of its grant, or if it fails to or is unable to achieve or fulfill its objectives, projections or assurances as contained in its application documents to the MDC, including its business plan or subsequent update documents.

In such an event, the MDC will in the first instance notify Unified Malaysia of such failure and/or non-compliance and grant Unified Malaysia an opportunity to explain its position to the MDC, seek a waiver or otherwise come to a mutually acceptable compromise or resolution of the matters relating to such failure and/or non-compliance.

If the MDC and Unified Malaysia are unable to arrive at such a compromise or resolution, the MDC may at any time thereafter notify Unified Malaysia, in writing, of its intention to recommend the revocation of the grant of MSC status to Unified Malaysia. Upon receipt of such notice, Unified Malaysia must appeal to the MDC in writing within 30 days of such notice, stating any grounds or arguments supporting its appeal against the intended revocation. In the event Unified Malaysia does not appeal to the MDC, or having considered its appeal, the MDC is of the view that the grant of MSC status should be revoked, the MDC may in its discretion proceed to issue a written notice to Unified Malaysia revoking the grant of MSC status. Upon revocation of the grant, all benefits, incentives and privileges granted to Unified Malaysia by the MDC or other relevant governmental authorities will be withdrawn.

Pioneer Status

Unified Malaysia was granted pioneer status by MITI on 17 July 2001. Unified Malaysia's pioneer status was effective on 21 December 2000. Pursuant to this, Unified Malaysia enjoys certain financial incentives accorded to it under Section 4A of Malaysia's Promotion of Investments Act 1986, which is intended to promote the development of activities which are deemed to be of national and strategic importance to Malaysia. As a pioneer status company, Unified Malaysia enjoys certain income tax exemptions on revenues generated from its MSC Qualifying Activities for a period of 5 years from 21 December 2000.

As Unified Malaysia had already commenced business operations prior to being granted prioneer status, the income which is exempted is its value computed as the ''value added income''. Pursuant to the Promotion of Investments Act 1986, ''value added income'' means the statutory income for the basis period for the year of assessment less the inflation-adjusted base income. The inflation-adjusted base income is determined as follows:–

(i) for the first year, from the production day:–

A (1+B)

Where:–

A is the average statutory income for up to 3 years prior to the production day; and

B is the rate of inflation for the basis year.

(ii) for the second and subsequent years, from the production day onwards:–

C (1+B)

Where:–

C is the inflation-adjusted income for the first year; and

B is the rate of inflation for the second or subsequent years.

Only Unified Malaysia's value added income computed in accordance with the formula set out above will be exempt from Malaysian corporate income tax, which is currently 28% on every RM of chargeable income.

Unified Malaysia's pioneer status may be renewed for a further 5 year period from 21 December 2005 to 20 December 2010, upon formal application to the MDC on or before 21 December 2005 and subject to the MDC's confirmation that Unified Malaysia has continued to comply with all the conditions for MSC status. The grant of any such extension is at the discretion of MITI, with the concurrence of the Minister of Finance, Malaysia. Our Directors are not aware of any reasons why such an extension of pioneer status would not be granted in the event that the application is made in time and if the conditions for MSC status have been complied with.

It should also be noted that pursuant to Malaysia's Promotion of Investments Act 1986 the maximum period for pioneer status accorded to a company is 10 years. Accordingly, based on current laws and regulations, no further extensions would be possible for Unified Malaysia's pioneer status beyond 20 December 2010.

FIC guidelines pertaining to ownership by foreign interests

Acquisitions of shares and assets in Malaysia are regulated and monitored by the FIC, which has issued guidelines in relation to the same. The FIC guidelines contain policies on investments by foreign interests in Malaysian companies and assets. Such FIC guidelines for the acquisition of shares and assets in Malaysia are policy guidelines and do not have the force of law. Subject to these guidelines, foreigners may acquire shares in a Malaysian company. ''Foreign interest'' includes (i) foreign individuals; (ii) companies or institutions incorporated outside Malaysia; or (iii) local companies where foreign individuals and/or companies or institutions hold more than 50% of the voting rights or have control of the management of the companies by way of joint venture agreements, management agreements or other types of agreements.

The FIC usually requires an equity structure comprising 70% of the total issued and paid-up share capital of any company incorporated in Malaysia to be held by Malaysians, and at least 30% of the total issued and paid-up share capital of the company to be held by Bumiputras. Generally, the approval of the FIC is required for, amongst others:–

— any proposed acquisition of 15% or more of the voting power by any one foreign interest or associated group, or by foreign interests in the aggregate of 30% or more of the voting power of a Malaysian company;

— any proposed acquisition of assets or any interests, merger and take-over of companies and businesses in Malaysia by any means, which will result in ownership or control passing to foreign interests;

— any merger or take-over of any company or business in Malaysia, whether by Malaysian, or foreign interests; and

— any other proposed acquisition of assets or interests exceeding in value of RM5 million, whether by Malaysian, or foreign interests.

However, the Malaysian Government had in May 2003 announced an economic stimulus package with a view to further improve the economy of the country. One of the strategies under the said stimulus package is to promote private investment and to encourage foreign direct investment. One of such measures is to liberalise the existing FIC guidelines. Generally, the Malaysian Government has proposed to allow foreign interests to own up to 70% of Malaysian private companies, provided that the minimum 30% Bumiputra equity condition is maintained. However, no formal announcement of relaxation of the prevailing FIC guidelines has been made to date.

If Unified Malaysia loses its MSC status, it would be subject to the equity requirements under the FIC guidelines and our Company may have to reduce its shareholding in Unified Malaysia in line with the thresholds in the guidelines and comply with such other conditions as may be imposed by the FIC with regards to such disposal of shares. For calculation of the percentage of holdings for compliance with these equity requirements, other than direct holdings in the company, the FIC may take into consideration certain indirect equity interests in Unified Malaysia. Therefore it is reasonable to expect that the direct Malaysian and Bumiputra holdings in our Company, which translate into indirect interests in Unified Malaysia, may be taken into account in determining the level of compliance with the FIC guidelines.

As indicated above, the FIC guidelines are only policy guidelines and do not have the force of law. Although there are no legal sanctions imposed for non-compliance with the FIC guidelines, non-compliance could result in administrative difficulties and resistance when dealing with other regulatory authorities and government departments. For example, a failure to comply with the FIC guidelines may prejudice Unified Malaysia's ability to obtain approvals and licences from government agencies or regulatory authorities in Malaysia should these approvals or licences be required in connection with its business. Non-compliance with the FIC guidelines may also disadvantage Unified Malaysia's position in securing commercial contracts or projects awarded by the Malaysian Government or other Malaysian governmental authorities.

General Permission under the Exchange Control Act 1953

The principal legislation governing foreign exchange controls in Malaysia is the ECA and the ECM Notices issued pursuant thereto. As an MSC status company, Unified Malaysia has been given general permission by the Controller to do all or any of the activities requiring the Controller's permission under the ECA and the ECM Notices. Therefore, Unified Malaysia is not subject to the exchange control restrictions imposed by the ECA and the ECM Notices. This general permission took effect from 15 January 2001 and is subject to the following conditions:–

- That Unified Malaysia gives a letter of undertaking to the Controller, within 30 days of Bank Negara Malaysia's letter dated 15 January 2001 granting Unified Malaysia the general permission, undertaking that such permission would only be used for Unified Malaysia and not for the benefit of any other company;
- That Unified Malaysia submits its audited annual accounts to Bank Negara Malaysia at the end of every financial year;
- That Unified Malaysia does not deal in the Restricted Currencies under the ECM Notices, that is the currencies of Israel, Serbia and Montenegro;
- That Unified Malaysia does not deal with Specified Persons under the ECM Notices, which comprise the residents, authorities, agencies and instrumentalities and any entities owned or controlled, directly or indirectly, by Israel, Serbia and Montenegro; and
- That Unified Malaysia submits, if applicable, statistical forms/statements/reports on the following transactions on a semi-annual basis:–
  - (a) any foreign currency accounts maintained with banks overseas;
  - (b) any inter-company accounts maintained with non-resident non-bank parties;
  - (c) any foreign currency loans above the equivalent of RM5 million obtained from any offshore sources and prior to any draw down of the loans or remittances for overseas investment;
  - (d) any investments abroad (as defined under the ECM Notices); and
  - (e) any payment to or receipt from non-residents for each fund transfer exceeding RM10,000 (or its equivalent in foreign currency) made through an authorised dealer.

If Unified Malaysia's MSC status were to be revoked, it would be required to obtain the prior permission of Bank Negara Malaysia for:–

(i) any credit facilities extended by any licensed banks, licensed merchant banks and non-residents in foreign currency exceeding an equivalent of RM5 million in the aggregate;

(ii) any trade financing facilities of any amount in foreign currency extended by any licensed banks and licensed merchant banks where the tenure of the credit exceeds 12 months.

Further, as a non-resident controlled company, Unified Malaysia would be required to obtain the prior permission of Bank Negara Malaysia for:–

(i) any credit facilities for short-term trade financing extended by a resident in RM or any foreign currency where the tenure of the credit exceeds 12 months; and/or

(ii) any other credit facility extended by a resident in RM or any foreign currency which exceeds RM50 million.

General permission is also given by Bank Negara Malaysia for Unified Malaysia as a resident company to operate one or more inter-company accounts in foreign currency with our Company and Unified Singapore, which are non-resident companies for the purposes of the ECM Notices. Unified Malaysia is also permitted to debit and credit such inter-company accounts and settle net balances of accounts arising from the offsetting of payables against receivables with our Company and Unified Singapore, provided that all inter-company settlements are made only in foreign currency.

However, in the event that MSC status is lost, the prior permission of Bank Negara Malaysia would be required for offsetting payables against receivables that are export proceeds or external credit facilities extended to Unified Malaysia.

Even if Unified Malaysia were to lose its MSC status, the ECA and ECM Notices would not restrict repatriation of investments by our Company. Profits, dividends, capital and capital gains arising from our investment in Unified Malaysia can be repatriated freely without being subject to any levy or minimum holding period.

MALAYSIAN LAWS AND REGULATIONS APPLICABLE TO THE RESTRUCTURING EXERCISE

Prior Approval of the Controller of Foreign Exchange, Bank Negara Malaysia for the Restructuring Exercise

In connection with the Restructuring Exercise, Primeace Holdings and Worldwide Matrix had sought and obtained the approval of the Controller of Foreign Exchange, Bank Negara Malaysia to enter into a Share Transfer Agreement, whereby new Shares in our Company were issued to Primeace Holdings and Worldwide Matrix in consideration for the purchase by our Company of all their shares in Unified Malaysia for a total consideration amounting to S$16,556,016 at the exchange rate of S$1.00 = RM2.163. This resulted in the issue of a total of 16,556,016 Shares in our Company to the Sellers. The said issue of shares in our Company to the Sellers amounted to an investment abroad by the Sellers, being residents of Malaysia, in a non-resident company, which required the prior approval of the Controller pursuant to ECM Notice 9. As a permanent resident of Singapore, our Executive Director is not considered a resident of Malaysia for the purposes of exchange control and, therefore, need not seek the approval of the Controller for the sale of his shares in Unified Malaysia. The Controller's approval for this investment abroad was granted on 7 May 2003, subject to the following conditions:–

— that Primeace Holdings and Worldwide Matrix repatriate all dividends, profits or interest, and/or any proceeds received from the realisation of their respective investments in our Company immediately upon receipt of the same and notify the Exchange Control Department of Bank Negara Malaysia accordingly;

— that Primeace Holdings and Worldwide Matrix shall within one month of the end of every quarter respectively submit a report in a prescribed form to the Exchange Control Department of Bank Negara Malaysia in respect of their investments in our Company containing information as to the amount of their investments in our Company and information as to any loans granted to non-residents of Malaysia (if any); and

— that Primeace Holdings and Worldwide Matrix submit to the Exchange Control Department of Bank Negara Malaysia a copy of their respective audited accounts, as well as a copy of the audited accounts of our Company each year as soon as the same are prepared.

Notification to MDC of Change in Shareholding

Unified Malaysia has notified the MDC of the change of shareholding in Unified Malaysia resulting from the Restructuring Exercise and the MDC is aware of such change in shareholding. Under the Malaysian Government's Bill of Guarantees in respect of MSC status companies, MSC status companies are exempted from local ownership requirements and may be wholly-owned by foreign legal entities.

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. The name, age, address, principal occupation, business and working experience of each of our Directors and Executive Officers are set out in the section entitled ''Directors, Management and Staff'' on pages 98 to 101 of this Prospectus.

2. The list of present and past directorships of each of our Directors held in the 5 years preceding the Latest Practicable Date, excluding that held in our Company, are set out below:–

Name	Present Directorships	Past Directorships
Dato' Ahmad Sebi Bakar	**Group Companies**	**Group Companies**
	Unified Communications Sdn Bhd Unified Communications Pte Ltd	Nil
	Other Companies	**Other Companies**
	Advance Synergy Berhad Advance Synergy Capital Berhad Alangka-Suka Hotels & Resorts Berhad Bagan Bidara Sdn Bhd Bright Existence Sdn Bhd Carta Bintang Sdn Bhd Kumpulan Powernet Berhad iSynergy Sdn Bhd Inter-Pacific Travel & Tours Sdn Bhd Pacific Existence Sdn Bhd Powernet Industries Sdn Bhd Rangkaian Pena Sdn Bhd SJ Securities Sdn Bhd Suasana Dinamik Sdn Bhd Triton Commuter Sdn Bhd Triton Express Sdn Bhd Triton Feeder Services Sdn Bhd Triton-K Sdn Bhd Triton Engineering Sdn Bhd Triton Khidmat Sdn Bhd Grand Hotel Sudan Limited Holiday Villas International Limited Alangka-Suka International Limited Synergy Petroleum Incorported Synergy Realty Incorporated Synergy Gold Incorporated AESBI Power Systems Sdn Bhd SJ Research Sdn Bhd Quality Bus & Coach (M) Sdn Bhd	Columbus Travel & Tours Sdn Bhd Diversified Gain Sdn Bhd Envio Tech Sdn Bhd Excellent Arch Sdn Bhd Hotel Golden Dragon Sdn Bhd Mentor Dynamics Sdn Bhd Mentor Ventures Sdn Bhd Nagapura Management Corporation Sdn Bhd Pelangi Jaguh Sdn Bhd Pingat Jati Sdn Bhd SJ Nominees (Tempatan) Sdn Bhd SJ Nominees (Asing) Sdn Bhd Simpang Tiga Realty Sdn Bhd Time Dynamics Sdn Bhd Auto Tulin Sdn Bhd ASB Timer (PNG) Ltd
Wong Tze Leng	**Group Companies**	**Group Companies**
	Unified Communications Sdn Bhd Unified Communications Pte Ltd Unified Communications Limited Attrix Technology Pte Ltd AttrixTech Sdn Bhd	Nil

Name	Present Directorships	Past Directorships
Wong Tze Leng	**Other Companies**	**Other Companies**
	icontaQ Asia Pte Ltd icontaQ (M) Sdn Bhd icontaQ Thailand Ltd icontaQ Hong Kong Ltd icontaQ Pty Ltd Kang Da He Xin Ke Ji (Beijing) You Xian Gong Si Nusuara Technologies Sdn Bhd	You Kang Pte Ltd Inaccess Systems Pte Ltd Quintum Asia Pte Ltd Shinjitsu Pte Ltd Inaccess Systems Sdn Bhd You Kang Xin Da Tong Xun Ji Shu (Beijing) You Xian Gong Si Rich Esteem Pte Ltd Radius-Ed Sdn Bhd Major Link Systems Sdn Bhd
Lee Su Nie	**Group Companies**	**Group Companies**
	Unified Communications Sdn Bhd Unified Communications Pte Ltd	Nil
	Other Companies	**Other Companies**
	Alam Samudera Corporation Sdn Bhd Advance Synergy Furniture Sdn Bhd Columbus Travel & Tours Sdn Bhd Datakey Sdn Bhd e-go.com Sdn Bhd Excellent Arch Sdn Bhd Hotel Golden Dragon Sdn Bhd Inter-Pacific Travel & Tours Sdn Bhd Inter-Pacific Travel & Tours (Penang) Sdn Bhd Inter-Pacific Travel & Tours (Sabah) Sdn Bhd iSynergy Sdn Bhd Marketing and Event Management Integrated Sdn Bhd Motorsports Adventure Sdn Bhd Nagapura Management Corporation Sdn Bhd Rewardstreet.com (Malaysia) Sdn Bhd Sadong Development Sdn Bhd Super Leisure Sdn Bhd Simpang Tiga Realty Sdn Bhd Diversified Gain Sdn Bhd Excellent Display Sdn Bhd	Celestial Beauty Limited Cosmocourt.com (Malaysia) Sdn Bhd Strategic Research & Consultancy Sdn Bhd Inter-Pacific Leisure Sdn Bhd Launceston Developments Limited

Name	Present Directorships	Past Directorships
Lee Su Nie	Worldwide Matrix Sdn Bhd Visage Synergy Sdn Bhd Synergy Gold Incorporated Synergy Petroleum Incorporated Gulf Synergy Petroleum Incorporated Calmford Incorporated Synergy Investments Australia Pty Ltd Jarrett Synergy Pty Ltd Synergy Lifestyle Concepts Pty Ltd	
Chuah Seong Phaik	**Group Companies** Nil **Other Companies** CHG Industries Berhad Triumphal Associates Berhad A. A. Anthony Securities Sdn Bhd Empire Business Systems Sdn. Bhd. Empire Realty Sdn. Bhd. Paul Chuah Computer Services (K.L.) Sdn. Bhd. Paul Chuah Management Services (K.L.) Sdn. Bhd. Paul Chuah Tax Services (K.L.) Sdn. Bhd. Stelpa Sendirian Berhad Sin Ban Hin Sdn. Bhd.	**Group Companies** Nil Other Companies Wapnet Interactive Solutions Sdn. Bhd. PCKT Accounting Services Sdn. Bhd. PCKT Corporate Care Sdn. Bhd. PCKT Sdn. Bhd. Empire-MHC Sdn. Bhd.
Phuah Peng Hock	**Group Companies** Nil **Other Companies** Advisor Associates (S) Pte Ltd	**Group Companies** Nil Other Companies Nil

3. The list of present and past directorships of each of our Executive Officers held in the five years preceding the Latest Practicable Date are set out below:–

Name	Present Directorships	Past Directorships
Ho Ting Sai	**Group Companies**	**Group Companies**
	Attrix Technology Pte Ltd Unified Communications Holdings Limited (resigned 18 December 2003)	Nil
	Other Companies	**Other Companies**
	Nil	Nil
Tang Chang Thai	Group Companies	**Group Companies**
	Nil	Nil
	Other Companies	**Other Companies**
	Nil	Nil
Lim Chu Kiat	**Group Companies**	**Group Companies**
	AttrixTech Sdn Bhd	Nil
	Other Companies	**Other Companies**
	Nil	Bandwidth Asia Sdn Bhd Bandwidth Asia Pte Ltd
Chin Wei Li	**Group Companies**	**Group Companies**
	Nil	AttrixTech Sdn Bhd
	Other Companies	**Other Companies**
	Nil	Nil
Raymond Suen Kok Hong	**Group Companies**	**Group Companies**
	Nil	Nil
	Other Companies	**Other Companies**
	Nil	Nil

4. Save as disclosed in the section entitled ‘‘Shareholders’’ on pages 92 and 93, none of our Directors or Executive Officers has any shareholding interests in our Company or any of our subsidiaries as at the Latest Practicable Date.

5. None of our Directors, Executive Officers or Controlling Shareholders:–

   (a) has at any time during the last ten years, had a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner;

   (b) has at any time during the last ten years, had a petition under any law of any jurisdiction filed against a corporation while he was a director or key executive, for the winding up of that corporation on the ground of insolvency;

   (c) has any unsatisfied judgment against him;

(d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment for three months or more, or has been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such purpose;

(e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such breach;

(f) has at any time during the last ten years, had a judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or been the subject of any civil proceedings (including any pending civil proceedings which he is aware of) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any corporation;

(h) has ever been disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(i) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–

    (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

    (ii) any corporation or partnership which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

    in connection with any matter occurring or arising during the period when he was so concerned with the corporation or partnership.

6. The aggregate renumeration paid to our Directors, for services rendered in all capacities to our Company and our subsidiaries was nil, S$50,000, S$63,800 and S$69,150 in FY2000, FY2001, FY2002 and FY2003 respectively. Save as disclosed in the section entitled "Directors' and Executive Officers' Remuneration" on page 104 of this Prospectus, no remuneration or emoluments were paid to existing Directors or Executive Officers for services rendered in any capacity to our Company in FY2002.

7. None of our Directors and Executive Officers is related by blood or marriage to one another nor are they so related to any of our Substantial Shareholders.

8. Save as disclosed in the section entitled "Directors, Management and Staff" on pages 98 to 105 of this Prospectus, none of our Directors and Executive Officers were appointed pursuant to an arrangement or understanding with any of our Substantial Shareholders, customers or suppliers.

9. Save as disclosed in the section entitled "Management Performance Incentive" on pages 105 and 106 of this Prospectus, no option to subscribe for shares in, or debentures of, our Company or any of our subsidiaries has been granted to, or was exercised by, any of our Directors or Executive Officers.

10. Save as disclosed under the section entitled ''Interested Person Transactions'' on pages 106 to 110 of this Prospectus, none of our Directors, Controlling Shareholders, Executive Officers and their associates and experts are interested, directly or indirectly, in the promotion of, or in any property or assets acquired or disposed of by, or leased to, our Company and our subsidiaries within the three years preceding the Latest Practicable Date, or in any proposal for such acquisition or disposal or lease as aforesaid.

11. Save as disclosed in the section entitled ''Service Agreement'' on pages 104 and 105 of this Prospectus, there are no existing or proposed service contracts between our Directors and our Company or any of our subsidiaries.

12. There is no shareholding qualification for our Directors in our Articles of Association.

13. Save as disclosed in the section entitled ''Potential Conflicts of Interest'' on page 111 of this Prospectus, none of our Directors, Controlling Shareholders or Executive Officers or their associates has any interest, direct or indirect, in any company carrying on a similar trade as our Company.

14. The interests of our Directors and Substantial Shareholders in our Shares as at the Latest Practicable Date and as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act are set out in the section entitled ''Shareholders'' on pages 92 and 93 of this Prospectus.

15. Save as disclosed above, no Director has any interest in Shares, including New Shares which are the subject of this Invitation.

    Our Company is not aware that any of our Substantial Shareholders, Directors and Executive Officers intend to subscribe and/or purchase Shares in the Invitation.

16. Save as disclosed in the section entitled ''Interested Person Transactions'' on pages 106 to 110 of this Prospectus, none of our Directors has any material interest in any existing contract or arrangement which is significant in relation to the business of our Company and our subsidiaries taken as a whole.

17. No sum or benefit has been paid or agreed to be paid to any of our Directors or experts or to any firm in which any of our Directors or experts is a partner or corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or such firm or corporation in connection with the promotion or formation of our Company.

    Please refer to the section entitled ''Directors' and Executive Officers' Remuneration'' on page 104 of this Prospectus for details of our proposed Directors' fees.

SHARE CAPITAL

18. As at the Latest Practicable Date, there is only one class of shares in the capital of our Company, namely ordinary shares. The rights and privileges attached to our Shares are stated in our Articles of Association. There are no founder, management or deferred shares. The Shares owned by our Directors and Controlling Shareholders are not entitled to any different voting rights from the New Shares.

19. Save as disclosed under the section entitled ''Shareholders'' on pages 92 and 93 of this Prospectus, our Company is not directly or indirectly owned or controlled by another corporation, any government or other natural or legal person whether severally or jointly.

20. There is no known arrangement the operation of which may, at a subsequent date, result in a change in control of our Company.

21. There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation, which has occurred during the last and current financial year.

22. Save as set out in the section entitled ''Share Capital'' on pages 90 and 91 of this Prospectus, there were no changes in the issued and paid-up share capital of our Company or our subsidiaries within the three years preceding the Latest Practicable Date.

23. Save as disclosed in paragraph 22 above, no shares in, or debentures of, our Company were issued or proposed to be issued by our Company or our subsidiaries, as fully or partly paid-up, for cash or for a consideration other than cash during the last three years immediately preceding the Latest Practicable Date.

24. There are no shares in our Company that are held by or on behalf of our Company or by subsidiaries of the Company.

25. Save as disclosed in the section entitled ''Management Performance Incentive'' on page 105 of this Prospectus, no shares in or debentures of, our Company are under option or agreed conditionally or unconditionally to be put under option. No person has been, or is entitled to be, given an option to subscribe for any shares in, or debentures of, our Company or any of our subsidiaries.

MEMORANDUM AND ARTICLES OF ASSOCIATION

26. (a) The nature of our Company's business is stated in the section entitled ''Business'' on pages 68 to 76 of this Prospectus. Our objects can be found in Clause 3 of our Memorandum of Association which is available for inspection at our registered office as set out in paragraph 51 of this section.

    (b) An extract of our Articles of Association providing for, *inter alia*, transferability of shares, voting rights of Shareholders, Directors' shareholding qualification, remuneration, borrowing powers and voting rights of Directors on proposals, arrangements or contracts in which they have a personal interest are set out in Appendix E to this Prospectus. The Articles of Association of our Company is available for inspection at our registered office as set out in paragraph 51 of this section.

MATERIAL CONTRACTS

27. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Group within the two years preceding the date of lodgement of this Prospectus and are or may be material:–

    (a) Deed of Assignment dated 18 October 2003 entered into between Unified Malaysia and Panasino Inc. pursuant to which Unified Malaysia acquired certain intellectual property and associated software relating to mobile data solutions for an aggregate consideration of RM$8.3 million.

    (b) Guarantee dated 20 October 2003 executed by our Company in favour of Hong Leong Finance Limited pursuant to which our Company agreed to act as guarantor for the obligations of Attrix Singapore in relation to a working capital line of S$500,000 provided by Hong Leong Finance Limited to Attrix Singapore on 7 November 2003.

(c) Joint Venture agreement dated 27 October 2003 entered into between Unified Malaysia and Ahead Mobile Inc., pursuant to which Unified Malaysia shall subscribe for 152,000 shares in Ahead Mobile Sdn. Bhd. at par constituting 40% of its issued and paid-up capital for an aggregate consideration of RM152,000.

(d) The Share Transfer Agreement dated 12 January 2004 entered into between our Company and our Executive Director, Primeace Holdings and Worldwide Matrix pursuant to which our Company acquired the entire issued and paid-up share capital of Unified Singapore and Unified Malaysia from our Executive Director, Primeace Holdings and Worldwide Matrix for a total consideration of $22,525,812, based on the proforma consolidated NTA value of Unified Singapore and Unified Malaysia as at 30 June 2003. The consideration was satisfied by the issue and allotment of an aggregate of 22,525,812 ordinary shares of S$1.00 each at par and fully paid to our Executive Director, Primeace Holdings and Worldwide Matrix.

(e) Management and Underwriting Agreement entered into between our Company, the Vendors, the Joint Lead Managers and the Joint Lead Underwriters dated 10 February 2004 for the management of the Invitation and the underwriting of the Invitation Shares;

(f) Placement Agreement entered into between our Company, the Vendors and the Joint Lead Placement Agents dated 10 February 2004 for the placement of the Placement Shares;

(g) Receiving banker letter dated 22 December 2003 between our Company and The Bank of East Asia, Limited pursuant to which The Bank of East Asia, Limited will be appointed as the receiving bank in relation to the Invitation; and

(h) Depository agreement dated 10 February 2004 entered into between our Company and CDP pursuant to which CDP agreed to act as central depository for our Company's securities for trades in the securities of the Company through the SGX-ST.

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

28. Pursuant to the Management and Underwriting Agreement, we appointed the Joint Lead Managers to manage the Invitation, and the Joint Lead Underwriters to underwrite the Offer Shares. The Joint Lead Managers will receive a management fee from our Company for their services rendered in connection with the Invitation.

29. Pursuant to the Management and Underwriting Agreement, the Joint Lead Underwriters agreed to underwrite the Offer Shares for a commission of 3.0% of the aggregate Invitation Price for the total number of Offer Shares underwritten by them, in the agreed proportion. The number of Shares each Underwriter has agreed to subscribe or procure subscriptions for are as follows:–

Joint Lead Underwriter	**Number of Shares**
SBI E2-Capital Securities Pte Ltd	4,000,000
CLSA	4,000,000

30. Pursuant to the Placement Agreement, the Joint Lead Placement Agents agreed to subscribe or procure subscriptions for the Placement Shares for a placement commission of 3.5% of the aggregate Invitation Price for the total number of Placement Shares which each Joint Lead Placement Agent has successfully subscribed for or procured subscription for. The number of Shares each Joint Lead Placement Agent has agreed to subscribe or procure subscriptions for are as follows:–

Joint Lead Placement Agent	**Number of Shares**
SBI E2-Capital Securities Pte Ltd	32,750,000
CLSA	32,750,000

31. Brokerage will be paid by our Company to members of the SGX-ST, banks and merchant banks in Singapore in respect of all successful applications for the Offer Shares pursuant to the Invitation at the rate of 0.5% of the Invitation Price. Subscribers and purchasers of Placement Shares may be required to pay a brokerage of up to 1.0% of the Invitation Price. Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted within the two years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the Company.

32. The Management and Underwriting Agreement may be terminated by the Joint Lead Managers at any time before the close of the Application List on the occurrence of certain events including, *inter alia*:–

    (i) any adverse change, or any development involving a prospective adverse change, in the condition (financial or otherwise) of the Company or of the Group as a whole; or

    (ii) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, notice, policy, rule, guideline or directive (whether or not having the force of law and including, without limitation, any directive, notice or request issued by the MAS, the Securities Industry Council of Singapore or the SGX-ST) or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore; or

    (iii) any change, or any development involving a prospective change, in local, national or international, financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls; or

    (iv) any occurrence or any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict (whether or not involving financial markets), which event or events shall in the opinion of the Joint Lead Managers and/or the Underwriters (exercised in good faith) (1) result or be likely to result in a material adverse fluctuation or adverse conditions in the stock market in Singapore or elsewhere or (2) be likely to prejudice the success of the offer or subscription of the New Shares or (3) make it impracticable, inadvisable, inexpedient or uncommercial to proceed with any of the transactions contemplated in the Management and Underwriting Agreement or (4) be likely to have an adverse effect on the business, trading position, operations or prospects of the Company or of the Group as a whole or (5) be such that no reasonable underwriter would have entered into such Management and Underwriting Agreement or (6) make it uncommercial or otherwise contrary to or outside the usual commercial practices of underwriting in Singapore for the Underwriters to observe or perform or be obliged to observe or perform the term of the Management and Underwriting Agreement.

33. The obligations of the Joint Lead Placement Agents under the Placement Agreement are conditional upon the Management and Underwriting Agreement not being determined or rescinded pursuant to the provisions of the Management and Underwriting Agreement. In the case of the release or discharge of the Joint Lead Managers and/or Underwriters (as the case may be) from their obligations under or pursuant to the Management and Underwriting Agreement, the Placement Agreement shall be terminated.

34. SBI E2-Capital Holdings Limited has a 40% interest in Avia Growth Opportunities Limited, a Shareholder of our Company. SBI E2-Capital Pte Ltd, one of the Joint Lead Managers is wholly-owned by SBI E2-Capital Holdings Limited. SBI E2-Capital Securities Pte Ltd, one of the Joint Lead Placement Agents and Underwriters, is a subsidiary of SBI E2-Capital Holdings Limited. We do not have any material relationship with any of the Joint Lead Managers or Joint Lead Placement Agents and Underwriters.

LITIGATION

35. There are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had during the last 12 months immediately before the date of this Prospectus, a material effect on our Company or our subsidiaries' financial position or profitability.

BANK BORROWINGS AND WORKING CAPITAL

36. In the opinion of our Directors, there is no minimum amount which must be raised by the Invitation, in order to provide wholly or in part, for the following:–

    (i) the purchase price of any property purchased or to be purchased which is to be defrayed, in whole or in part, out of the proceeds of the issue of New Shares;

    (ii) the estimated preliminary and issue expenses (including placement and underwriting commission and brokerage) for the Invitation payable by our Company;

    (iii) the repayment of any monies borrowed by our Company in respect of any of the foregoing matters; and

    (iv) working capital.

37. Our Directors are of the opinion that, after taking into account existing unutilised banking facilities available and our cash and cash equivalents, our Group has adequate working capital to meet its present requirements.

MISCELLANEOUS

38. The nature of the business of our Company is stated in the section entitled ''Business'' on pages 68 to 76 of this Prospectus. As at the Latest Practicable Date, all the corporations which are, by virtue of Section 6 of the Companies Act, deemed to be related to our Company, are listed on page 97 of this Prospectus.

39. The time of opening of the Application List is set out in the section entitled ''Indicative Timetable for Listing'' on page 21 of this Prospectus.

40. The amount payable on application is S$0.28 for each Invitation Share. There has been no previous issue of Shares by our Company or offer for sale of its Shares to the public within the two years preceding the Latest Practicable Date.

41. Application monies received by our Company in respect of all successful applications (including successfully balloted applications which are subsequently rejected) will be placed in a separate non-interest bearing account with The Bank of East Asia, Limited (the ''Receiving Bank'') as the receiving bank. Save as may be expressly agreed between our Company, the Vendors and the Receiving Bank, there is no sharing arrangement between the Receiving Bank and our Company and the Vendors in respect of interest or revenue or any other benefit in respect of the deployment of application monies in the inter-bank monies market, if any. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund, of all or part of, the application monies to unsuccessful or partially successful applicants will be made without any interest or share of such revenue or other benefits arising therefrom.

    No application for Shares will be allotted and/or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus.

42. No property has been purchased or acquired or proposed to be purchased or acquired by our Group which is to be paid for, wholly or partly, out of the proceeds of the Invitation or the purchase or acquisition of which has not been completed at the Latest Practicable Date, other

than property the contract for the purchase or acquisition whereof was entered into in the ordinary course of business of our Company or our subsidiaries, such contract not being made in contemplation of the Invitation nor the Invitation in consequence of the contract.

43. The estimated amount of the expenses, payable by our Company and the Vendors, in connection with the Invitation is approximately S$2.3 million. This includes the underwriting commission, placement commission, brokerage, management, audit and legal fees, advertising and printing expenses, as well as fees payable to the SGX-ST and the Authority. The listing expenses will be borne by our Company and the Vendors as set out in the table below:–

	Company	**Vendors**
Gross Proceeds (S$'000)	10,640	9,940
Listing Expenses (S$'000)	(1,199)	(1,121)
Net Proceeds (S$'000)	9,441	8,819

A breakdown of the estimated expenses is as follows:–

	(S$'000)
Professional fees	1,010
Underwriting commission, placement commission and brokerage	720
Miscellaneous expenses (including listing fee)	590
Total estimated expenses in connection with the Invitation	2,320

44. Save as disclosed in the section entitled ''Interested Person Transactions'' on pages 106 to 110 of this Propectus, no amount of cash or securities or benefit has been paid or given to any promoter within the two years immediately preceding the Latest Practicable Date or is proposed or intended to be paid or given to any promoter at any time.

45. Our Directors are not aware of any event which has occurred since the end of the period covered by the unaudited consolidated financial statements of the Group, that is, 30 June 2003, which may have a material effect on the financial information provided in this Prospectus. Save as disclosed in the section entitled ''Risk Factors'' on pages 28 to 37 and the section entitled ''Prospects, Business Strategy and Future Plans'' on pages 87 to 89 of this Prospectus respectively, our Directors are not aware of any relevant material information including trading factors or risks not mentioned elsewhere in this Prospectus which is unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company.

46. Save as disclosed in the section entitled ''Risk Factors'' on pages 28 to 37, the section entitled ''Liquidity and Capital Resources'' on pages 55 to 57, the section entitled ''Capitalisation and Indebtedness'' on pages 60 to 61 and the section entitled ''Prospects, Business Strategy and Future Plans'' on pages 87 to 89 of this Prospectus respectively, the financial condition and operations of our Group are not likely to be affected by any of the following:–

    (a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

    (b) material commitments for capital expenditures;

    (c) unusual or infrequent events or transactions or any significant economic changes that will materially affect the amount of reported income from operations; and

    (d) known trends or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on revenues or operating income.

47. We currently have no intention of changing the auditors of the various companies in our Group after the listing of our Company on the SGX-ST.

CONSENTS

48. (i) PricewaterhouseCoopers, Singapore has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of (i) the Compilation Report (in Appendix A to this Prospectus); (ii) their auditors' report in relation to the Audited Financial Statements of our Company for the Financial Period from 27 December 2002 to 31 December 2002 (in Appendix B to this Prospectus); and (iii) their auditors' reports in relation to the Audited Financial Statements of Unified Communications Pte Ltd for the Financial Years Ended 31 December 2000, 2001 and 2002 (in Appendix C to this Prospectus) in the form and context in which each appears in this Prospectus and references to its name in the form and context on which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.

PricewaterhouseCoopers, Malaysia has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of their auditors' reports in relation to the Audited Financial Statements of Unified Communications Sdn Bhd for the Financial Years Ended 31 December 2000, 2001 and 2002 (in Appendix D to this Prospectus) in the form and context in which it appears in this Prospectus.

(ii) Each of the Joint Lead Managers, the Joint Lead Placement Agents and Underwriters, the Sub-Placement Agent, the Solicitors to the Invitation, the Legal Advisers to the Company as to Malaysian Law, the Legal Advisers to the Joint Lead Managers and Joint Lead Placement Agents and Underwriters as to Singapore Law, the Share Registrar and Share Transfer Agent, the Principal Bankers and the Receiving Bank do not make, or purport to make, any statement in this Prospectus or any statement upon which a statement in this Prospectus is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in this Prospectus.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS AND THE VENDORS

49. This Prospectus has been seen and approved by our Directors and the Vendors and they collectively and individually accept full responsibility for the truth and accuracy of the information given in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Prospectus are fair and accurate in all material respects as at the Latest Practicable Date and that these are no other material facts the omission of which would make any statements herein misleading, and that this Prospectus constitutes full and true disclosure of all material facts about the Invitation and our Group.

STATEMENT BY THE JOINT LEAD MANAGERS

50. The Joint Lead Managers confirm that, having made due and careful enquiries, and that, to the best of their respective knowledge and belief, based on information made available to them by the Group, this Prospectus constitutes a full and true disclosure of all the material facts about the Invitation and our Group and they are not aware of any other material facts the omission of which would make any statements herein misleading.

DOCUMENTS AVAILABLE FOR INSPECTION

51. Copies of the following documents may be inspected at our registered office at 390 Havelock Road, #04-06 King's Centre, Singapore 169662, during normal business hours for a period of six months from the date of registration of this Prospectus:–

    (i) the Memorandum and Articles of Association of our Company;

    (ii) the Compilation Report;

    (iii) audited financial statements of our Company for the financial period from 27 December 2002 to 31 December 2002

    (iv) audited financial statements of Unified Communications Pte Ltd for the financial years ended 31 December 2000, 2001 and 2002

    (v) audited financial statements of Unified Communications Sdn Bhd for the financial years ended 31 December 2000, 2001 and 2002

    (vi) the letters of consent referred to in paragraph 48 of this section;

    (vii) the material contracts referred to in paragraph 27 of this section; and

    (viii) the Service Agreement referred to on pages 104 and 105 of this Prospectus.

APPENDIX A

COMPILATION REPORT ON EXAMINATION OF PROFORMA FINANCIAL STATEMENTS OF THE GROUP

The Board of Directors
Unified Communications Holdings Limited
390 Havelock Road
#04-06 King's Centre
Singapore 169662

10 February 2004

Dear Sirs

We report on the proforma financial statements of Unified Communications Holdings Limited (''the Company'' and referred to collectively with its subsidiaries as ''the Group'') set out in pages A-3 to A-26 of the Prospectus to be issued in relation to the initial public offering of the shares of the Company on the Singapore Exchange Securities Trading Limited. This report, together with the proforma financial statements of the Group, prepared for illustrative purposes, have been prepared in accordance with the provisions set out in the Fifth Schedule of the Securities & Futures (Offers of Investments) (Shares and Debentures) Regulations 2002 and are based on certain assumptions and after making certain adjustments to show what:

(i) the financial results of the Group for the financial years ended 31 December 2000, 2001 and 2002 would have been if the group structure (as described in note 3 to the proforma financial statements of the Group) as of date of lodgement of prospectus had been in place since 1 January 2000;

(ii) the financial position of the Group as of the date of the balance sheet as at 31 December 2002 would have been if the group structure as of date of lodgement of prospectus had been in place on that date; and

(iii) the changes in equity, and the cash flows of the Group for the financial year ended 31 December 2002 would have been if the group structure as of the date of lodgement of the Prospectus had been in place since 1 January 2000.

The proforma financial statements of the Group, because of their nature, may not give a true picture of the Group's actual financial results, financial position, changes in equity or cash flows of the Group.

The proforma financial statements of the Group are the responsibility of the directors of the Company. Our responsibility is to express an opinion on the proforma financial statements based on our work.

We carried out procedures in accordance with Singapore Statement of Auditing Practice: SAP 24: ''Auditors and Public Offering Documents''. Our work, which involved no independent examination of the underlying financial statements, consisted primarily of comparing the proforma financial statements of the Group to the Company's and its subsidiaries' financial statements or where information is not available in the financial statements, to accounting records, considering the appropriateness of the adjustments and discussing the proforma financial information with the directors of the Company.

COMPILATION REPORT ON EXAMINATION OF PROFORMA FINANCIAL STATEMENTS OF THE GROUP

(a) In our opinion, the proforma financial statements have been properly prepared:

  (i) in a manner consistent with the format of the financial statements and the accounting policies of the Company, which are in accordance with Singapore Financial Reporting Standards; and

  (ii) on the basis stated in note 4 to the proforma financial statements of the Group.

(b) each material adjustment made to the information used in the preparation of the proforma financial information is appropriate for the purpose of preparing such financial statements.

(c) no material adjustments are required to re-state the financial statements of Unified Communications Sdn Bhd, a company not incorporated in Singapore, to be in accordance with Singapore Financial Reporting Standards (FRS) as there are no significant differences between the accounting standards adopted by the Malaysian subsidiary in the preparation of its financial statements and FRS which are applicable to such proforma financial statements.

Yours faithfully,

PricewaterhouseCoopers
Certified Public Accountants
Singapore

Partner — Seow Teng Peng

UNIFIED COMMUNICATIONS HOLDINGS LIMITED

PROFORMA INCOME STATEMENTS

	Notes	Financial year ended 31 December 2000 $	2001 $	2002 $
Sales	6	11,345,228	24,368,548	28,286,190
Cost of sales		(6,968,514)	(10,543,381)	(12,876,801)
Gross profit		4,376,714	13,825,167	15,409,389
Other operating income		4,316	3,632	543,758
Technical support expenses		(555,129)	(1,803,403)	(2,708,556)
Distribution costs		(296,885)	(741,197)	(1,849,766)
Administrative expenses		(1,296,684)	(2,340,911)	(2,127,770)
Exceptional gain	7	—	—	310,164
Operating profit	8	2,232,332	8,943,288	9,577,219
Finance income	9	1,482	4,530	4,242
Finance costs	10	—	(224)	(31,006)
Profit before tax		2,233,814	8,947,594	9,550,455
Tax	13	(667,128)	(687,916)	(588,304)
Profit after tax		1,566,686	8,259,678	8,962,151
Minority interest		—	—	(8,953)
Net profit attributable to shareholders		1,566,686	8,259,678	8,953,198

The accompanying notes form an integral part of the financial statements.

UNIFIED COMMUNICATIONS HOLDINGS LIMITED

PROFORMA BALANCE SHEET

	Notes	As at 31 December 2002 $
Current assets		
Bank and cash balances	14	2,500,483
Deposits placed with financial institutions	15	1,076,717
Trade and other receivables	16	12,673,920
Contract work-in-progress	17	265,296
Inventories	18	5,881,595
Other current assets	19	393,027
		22,791,038
Non-current asset		
Plant and equipment	20	2,824,897
Total assets		25,615,935
Current liabilities		
Trade and other payables	21	5,278,733
Current tax		681,392
Borrowings (secured)	22	74,139
		6,034,264
Non-current liabilities		
Borrowings (secured)	22	164,495
Deferred tax	23	274,228
		438,723
Total liabilities		6,472,987
Minority interest		9,700
Net assets		19,133,248
Shareholders' equity		19,133,248

The accompanying notes form an integral part of the financial statements.

UNIFIED COMMUNICATIONS HOLDINGS LIMITED

PROFORMA STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Financial year ended 31 December 2002 $
Balance at beginning of the financial year	10,868,249
Foreign currency translation differences	(688,199)
Net profit	8,953,198
Balance at end of the financial year	19,133,248

The accompanying notes form an integral part of the financial statements.

UNIFIED COMMUNICATIONS HOLDINGS LIMITED

PROFORMA CASH FLOW STATEMENT

	Note	Financial year ended 31 December 2002 $
Cash flows from operating activities		
Profit before tax		9,550,455
Adjustments for:		
Depreciation of plant and equipment		725,042
Plant and equipment written off		24,069
Gain on disposal of plant and equipment		(151,898)
Interest expense		31,006
Interest income		(4,242)
Adjustment for foreign exchange differences		(639,467)
Operating profit before working capital changes		9,534,965
Changes in operating assets and liabilities		
Receivables		(5,199,583)
Other current assets		(13,646)
Inventories and work-in-progress		(944,600)
Payables		864,270
Cash generated from operations		4,241,406
Income tax paid		(554,164)
Interest paid		(31,006)
Net cash inflow from operating activities		3,656,236
Cash flows from investing activities		
Purchase of subsidiary, net of cash		(1,106)
Purchase of plant and equipment		(1,287,203)
Proceeds from disposal of plant and equipment		269,778
Interest received		4,242
Net cash outflow from investing activities		(1,014,289)
Cash flows from financing activities		
Deposits placed with financial institution		(1,076,717)
Payment of borrowings		(11,728)
Proceeds from borrowings		246,721
Loan repayment to a director		(526,798)
Net cash outflow from financing activities		(1,368,522)
Net change in cash and cash equivalents		1,273,425
Cash and cash equivalents at the beginning of the financial year		1,223,417
Cash and cash equivalents at the end of the financial year	14	2,496,842

The accompanying notes form an integral part of the financial statements.

UNIFIED COMMUNICATIONS HOLDINGS LIMITED

NOTES TO THE PROFORMA FINANCIAL STATEMENTS

1. INTRODUCTION

The proforma financial statements of the Group for the financial years ended 31 December 2000, 2001 and 2002 have been prepared for the inclusion in the Prospectus of Unified Communications Holdings Limited (the ''Company'') to be lodged with the Monetary Authority of Singapore in connection with the Invitation by the Company in respect of the issue of 73,500,000 ordinary shares of $0.08 each at S$0.28 per share for cash comprising 38,000,000 New Shares and 35,500,000 Vendor Shares.

2. THE COMPANY

The Company was incorporated on 27 December 2002 under the Singapore Companies Act Cap 50 as a private limited company under the name of Unified Communications Holdings Pte. Ltd. On 14 January 2004, the Company was converted into a public limited company and changed its name to Unified Communications Holdings Limited. The principal activity of the Company is that of an investment holding company.

As at 31 December 2002, the authorised share capital of the Company was $1,000,000, divided into 1,000,000 ordinary shares of $1.00 each and the issued and paid-up share capital of the Company was $2.00 divided into 2 ordinary shares of $1.00 each.

On 16 December 2003, the Shareholders approved the increase of the authorised share capital of the Company to $50,000,000, divided into 50,000,000 ordinary shares of $1.00 each.

On 15 January 2004, the Company carried out the Restructuring Exercise, comprising the Group Restructuring as set out on pages 96 and 97 of the Prospectus and the following:

(a) the consolidation of every two of the ordinary shares of $1.00 each in the capital of the Company into one ordinary share of $2.00 each (the Share Consolidation);

(b) the sub-division of each ordinary share of $2.00 each in the capital of the Company into 25 ordinary shares of $0.08 each (the Share Split);

(c) the issue of the New Shares in connection with the Company's initial public offer which, when fully paid, will rank *pari passu* in all respects with the existing ordinary shares of $0.08 each in the capital of the Company;

(d) the adoption of a set of new Articles of Association in substitution for the existing Articles of Association of the Company; and

(e) that authority be given to the Directors to allot and issue shares in the Company or convertible securities (whether by way of rights, bonus or otherwise) from time to time and at any time and upon such terms and conditions and for such purposes and to such persons as the Directors shall in their absolute discretion deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to such authority shall not exceed 50% of the post-Invitation issued share capital of the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to the then existing shareholders of the Company shall not exceed 20% of the post-Invitation issued share capital of the Company (the percentage of the post-Invitation issued share capital being adjusted for new shares arising from the conversion of convertible securities or employee share options in issue at the time such authority is given and any subsequent consolidation or subdivision of shares), and, unless revoked or varied by the Company in general meeting, such authority shall continue in full force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting is required by law or by our Articles of Association to be held, whichever is earlier.

3. THE GROUP

The Company implemented a restructuring exercise comprising the Group Restructuring ("the Restructuring Exercise") in preparation for its listing on the Singapore Exchange Securities Trading Limited. Details of the Group Restructuring Exercise are set out on pages 96 and 97 of the Prospectus.

The Company and its subsidiaries acquired pursuant to the Restructuring Exercise are collectively referred to as the Group.

Upon the completion of the Restructuring Exercise, the Company has the following subsidiaries:

Name of company	Principal activities	Country of incorporation/ Place of business	Percentage of equity holding by the Group	Issued and paid-up capital	Date of incorporation/ acquisition
Subsidiaries					
Unified Communications Pte Ltd ("UCPL")(1)	Distribution of telecommunication products, design and development of telecommunication solutions, project management, maintenance and support services for telecommunication industry	Singapore	100%	$1,000,000	28 May 1998
Unified Communications Sdn Bhd ("UCSB")(1)	Research and development, software engineering, system integration, project management, maintenance and support services for telecommunication industry	Malaysia	100%	RM 1,000,200	24 March 1998
Attrix Technology Pte Ltd ("Attrix Singapore")(2)	Distribution of telecommunication products	Singapore	100%	$2	21 December 2001
AttrixTech Sdn Bhd ("Attrix Malaysia")(3)	Distribution of telecommunication products.	Malaysia	100%	RM 2	6 March 2002
Unified Communications Limited ("UCHK")(2)	Distribution of telecommunication products and the provision of design and development of telecommunication solutions, project management, maintenance and support services for the telecommunication industry.	Hong Kong	51%	HK$ 10,000	22 November 2002 (date of acquisition)

Notes:

(1) Held by Unified Communications Holdings Limited

(2) Held by UCPL

(3) Held by UCSB

4. BASIS OF PREPARATION OF THE PROFORMA FINANCIAL STATEMENTS

The objective of the proforma financial statements of the Group is to show what the historical information might have been had the Group mentioned in note 3 to the proforma financial statements existed since 1 January 2000. However, the proforma financial statements of the Group are not necessarily indicative of the results of the operations or related effects on the financial position that would have been attained had the Group, actually existed since 1 January 2000.

The proforma financial statements are prepared for illustrative purposes only and are based on certain assumptions and after making certain adjustments to show what the financial results of the Group for the financial years ended 31 December 2000, 2001 and 2002 and the financial position of the Group as at 31 December 2002 would have been if the Restructuring Exercise, as described in note 3 to the proforma financial statements had been in place since 1 January 2000.

The proforma financial statements, because of their nature, may not give a true picture of the Group actual financial position or results.

The proforma financial statements of the Group have been prepared in accordance with the historical cost convention and are expressed in Singapore dollars. They have been prepared from financial statements based on accounting policies of the Group which are in accordance with Singapore Financial Reporting Standards.

The proforma financial statements are derived from audited financial statements of the companies in the Group, except for the results of You Kang Pte Ltd (formerly known as Unified Communication China Pte Ltd) and its subsidiary for the financial year ended 31 December 2002 up to date of their disposals which were derived from their accounting records and are not significant to the Group.

Significant balances and transactions and resulting unrealised profits between companies within the Group have been eliminated in the computation of the proforma financial statements of the Group.

The financial statements that have been included in the Group are as follows:

Name of Company	Period included in Proforma Financial Statements
Company	
Unified Communications Holdings Limited	From 27 December 2002 (date of incorporation) to 31 December 2002.
Subsidiaries	
Unified Communications Pte Ltd	For 3 financial years ended 31 December 2002.(1)
Unified Communications Sdn Bhd	For 3 financial years ended 31 December 2002.(2)
Attrix Technology Pte Ltd (subsidiary of UCPL)	From 21 December 2001 (date of incorporation) to 31 December 2002.
AttrixTech Sdn Bhd (subsidiary of UCSB)	From 6 March 2002 (date of incorporation) to 31 December 2002.(2)

4. BASIS OF PREPARATION OF THE PROFORMA FINANCIAL STATEMENTS *(cont'd)*

Name of Company	Period included in Proforma Financial Statements
Unified Communications Limited (subsidiary of UCPL)	From 22 November 2002 (date of acquisition) to 31 December 2002.
You Kang Pte Ltd (formerly known as Unified Communications China Pte Ltd) and its subsidiary (subsidiary of UCPL)	From 29 October 2001 (date of acquisition) to 2 December 2002 (date of disposal).(3)

(1) The financial statements of UCPL for the period ending 31 December 2000 are for a 15 months period from 1 October 1999 to 31 December 2000. For purposes of preparing the proforma financial results, the financial results of UCPL have been adjusted to exclude the results for the period from 1 October 1999 to 31 December 1999.

(2) The financial statements of Malaysian subsidiaries are prepared in accordance with the provisions of the Malaysian Companies Act, 1965 and applicable approved Accounting Standards in Malaysia.

(3) The Group sold its 49% and 51% interests on 17 September 2002 and 2 December 2002 respectively in You Kang Pte Ltd (formerly known as Unified Communications China Pte Ltd)and its subsidiary You Kang Xin Da Tong Xun Ji Shu (Beijing) You Xian Gong Si (collectively known as ''UC China'').

The consolidated financial statements of UCPL and its subsidiaries were prepared in accordance with Singapore Statements of Accounting Standard (''SAS''). SAS was replaced with Singapore Financial Reporting Standards for periods beginning on or after 1 January 2003.

The consolidated financial statements of UCSB and its subsidiary were prepared in accordance with the provisions of the Malaysian Companies Act, 1965 and applicable approved Accounting Standards in Malaysia.

No material adjustments are required to re-state the consolidated financial statements of UCSB and its subsidiary, companies not incorporated in Singapore, to be in accordance with Singapore Financial Reporting Standards (FRS) as there are no significant differences between the accounting standards adopted by the Malaysian subsidiaries in the preparation of their financial statements and FRS which are applicable to such proforma financial statements.

The financial statements of the Company for the period from 27 December 2002 (date of incorporation) to 31 December 2002 and the financial statements of the following subsidiaries were audited by PricewaterhouseCoopers, Singapore (a member of the Institute of Certified Public Accountants of Singapore):

(a) UCPL for the three years ended 31 December 2002; and

(b) Attrix Singapore for the period ended 31 December 2002.

The financial statements of UCSB for the three years ended 31 December 2002 and the financial statements of Attrix Malaysia for the financial period ended 31 December 2002 were audited by PricewaterhouseCoopers Malaysia, a member of Malaysia Institute of Accountants.

The financial statements of UCHK for the period ended 31 December 2002 were audited by K.K. Lee & Hui, Hong Kong, a member of Hong Kong Society of Accountants.

The auditors' reports on the financial statements of the companies in the Group for the financial years ended 31 December 2000, 2001 and 2002 were not subject to any qualification.

5. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been consistently applied in the preparation of the financial statements of the Group are as follows:

(a) Foreign currencies

Transactions in foreign currencies during the financial year are converted to Singapore dollars at the rates of exchange prevailing on the transaction dates. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the balance sheet date or at contracted rates where they are covered by foreign exchange contracts. Exchange differences arising are taken to the proforma income statements.

For the purpose of preparing the proforma financial statements, the assets and liabilities of foreign subsidiaries are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date, and the results of the subsidiaries are translated using the weighted average exchange rates for the financial year. The exchange differences arising on translation of foreign subsidiaries are taken directly to the foreign currency translation reserve. On disposal, these translation differences are recognised in the proforma income statements as part of the gain or loss on disposal.

(b) Revenue recognition

Revenue from sale of goods is recognised upon passage of title to the customers which generally coincides with their delivery and acceptance.

Revenue and profit from contracts are recognised on an individual contract basis using the percentage of completion method, when the stage of contract completion can be reliably determined, costs to date can be clearly identified, and the total contract revenue to be received and costs to complete can be reliably estimated. The percentage of completion is estimated by the management with reference to the stage of completion of the work as accepted by the customer. Where it is probable that a loss will arise from a contract, the excess of total estimated costs over revenue is recognised as an expense immediately.

Revenue from maintenance contracts is recognised on a straight line basis over the period of the respective contracts.

Revenue from the rendering of services is recognised on an accrual basis.

Interest income is accrued on a day-to-day basis.

Dividend income is recorded gross in the income statements in the accounting period in which a dividend is proposed.

(c) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on plant and equipment.

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

5. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(d) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of bank overdrafts.

(e) Trade debtors

Trade debtors are carried at original invoice less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off during the financial year in which they are identified.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Provision is made where necessary for obsolete, slow-moving and defective inventories.

(g) Contract work-in-progress

Contract work-in-progress is stated at the aggregate of contract costs incurred to date plus profits recognised based on the value of work completed less progress billings and provision for foreseeable losses.

For contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under current liabilities.

Cost includes both variable and fixed costs directly related to specific contracts and those which can be attributed to contract activity in general and which can be allocated to specific contracts. Also included are any costs expected to be incurred under penalty clauses and rectification provisions.

(h) Plant and equipment

All plant and equipment are stated at cost less accumulated depreciation.

(i) Depreciation of plant and equipment

Depreciation is calculated on a straight-line basis to write off the cost of plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Office equipment, furniture and renovation	5 years
Telecommunication and development equipment	5 years
Computer equipment	3–5 years
Motor vehicles	5 years

Where the carrying amount of a plant and equipment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

5. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(j) Accounting for leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of the leased assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statements over the lease period. Plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Operating lease payments are charged to the income statements on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(k) Research and development expenditure

Research and development expenditure is written off as an expense when incurred except that expenditure relating to specific product development projects intended for commercial exploitation is carried forward so long as it can reasonably be expected to be recovered from related future revenues. Such expenditure is amortised over the periods expected to benefit from it, commencing with the period in which commercial production and sales are first made.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Warranty

The Group recognises the estimated liability on in-house developed software still under warranty at the balance sheet date. This provision is calculated based on service histories, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(m) Related Parties

The related parties refer to companies in which a director of the Group has substantial interests or with common shareholders and/or directors.

5. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(n) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

6. SALES

	Financial year ended 31 December		
	2000	2001	2002
	$	$	$
Distribution of telecommunication products	6,981,674	5,710,835	4,779,402
Proprietary solutions	4,363,554	18,657,713	23,506,788
	11,345,228	24,368,548	28,286,190

7. EXCEPTIONAL GAIN

	Financial year ended 31 December		
	2000	2001	2002
	$	$	$
Gain on disposal of subsidiary	—	—	310,164

On 17 September 2002 and 2 December 2002, the Group disposed of its 49% and 51% interests respectively in You Kang Pte Ltd (formerly known as Unified Communications China Pte Ltd) and its subsidiary, You Kang Xin Da Tong Xun Ji Shu (Beijing) You Xian Gong Si (collectively known as ''UC China''). The sales, results and net assets contributed by UC China up to the respective date of disposal were as follows:

	2002
	$
Sales	6,540
Net loss before and after tax	(310,164)

The gain on disposal is arrived as follows:

	2002
	$
Net identifiable assets disposed	
Fixed assets	61,824
Current assets	90,211
Current liabilities	(362,199)
	(210,164)
Gain on disposal	310,164
Gross proceeds	100,000
Less: Cash and cash equivalent in subsidiary sold	(100,000)
Net cash inflow on disposal	—

8. OPERATING PROFIT

	Financial year ended 31 December		
	2000	2001	2002
	$	$	$
Operating profit is arrived at after:			
Charging:			
Auditors' remuneration			
— Auditors of the Company	15,000	15,000	23,000
— Other Auditors	6,843	8,212	9,393
Depreciation of plant and equipment:			
— Office equipment, furniture and renovation	32,741	89,298	135,763
— Telecommunication and development equipment	191,188	354,672	497,458
— Computers	11,248	34,472	89,708
— Motor vehicle	—	—	2,113
Directors' remuneration			
— Company	—	—	—
— Subsidiaries	—	50,000	63,800
Inventories written off	—	240,542	58,016
Loss on disposal of plant and equipment	13,715	4,213	—
Provision for doubtful debts:			
— Trade	127,259	313,467	22,777
— Non-trade	99,270	—	—
Provision for warranty	215,420	—	—
Plant and equipment written off	54,403	98,872	24,069
Office rental expense — operating leases	109,364	338,431	737,264
Net foreign exchange loss	7,609	980	—
And Crediting:			
Gain on disposal of plant and equipment	—	—	151,898
Net foreign exchange gain	—	—	91,280
Provision for doubtful trade debts written back	—	—	177,589
Provision for warranty written back	—	—	151,905

9. FINANCE INCOME

	Financial year ended 31 December		
	2000	2001	2002
	$	$	$
Interest income from banks	1,482	4,530	4,242

10. FINANCE COSTS

	Financial year ended 31 December		
	2000	2001	2002
	$	$	$
Interest expense — banks	—	224	31,006

11. REMUNERATION BAND OF DIRECTORS

	Financial year ended 31 December		
	2000	2001	2002
	$	$	$
Number of directors of the Company in remuneration bands:			
$500,000 to $749,999	—	—	—
$250,000 to $499,999	—	—	—
Below $250,000	—	1	1
Total	—	1	1

12. STAFF COSTS

	Financial year ended 31 December		
	2000	2001	2002
	$	$	$
Wages and salaries	856,391	2,318,839	3,627,708
Employer's contribution to defined contribution plans including Central Provident Fund	93,209	270,913	498,185
	949,600	2,589,752	4,125,893

Number of employees at the end of the financial year:

	Financial year ended 31 December		
	2000	2001	2002
	$	$	$
Full time	41	100	156

13. TAX

Tax expense

	Financial year ended 31 December		
	2000	2001	2002
	$	$	$
Tax expense attributable to profit is made up of:			
Current income tax provision			
Singapore	400,000	392,750	540,850
Foreign	135,811	132,313	132,201
	535,811	525,063	673,051
Deferred tax	131,317	180,000	(86,539)
	667,128	705,063	586,512
Under/(over) provision in preceding financial year			
— Current income tax	—	(31,429)	1,792
— Deferred tax	—	14,282	—
	667,128	687,916	588,304

The tax expense on the results for the financial years varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to:

	Financial year ended 31 December		
	2000	2001	2002
	$	$	$
Profit before tax	2,233,814	8,947,594	9,550,455
Tax calculated at a tax rate of 22% (2001: 24.5%; 2000: 25.5%)	569,623	2,192,161	2,101,100
Effect of changes in tax rate	—	(12,143)	(28,804)
Effect of different tax rates in other countries	17,543	(7,856)	28,727
Income not subject to tax due to MSC Status (note (i))	—	(1,422,828)	(1,515,331)
Expenses not deductible for tax purposes	103,746	14,780	23,787
Singapore statutory stepped income exemption and tax rebates	(32,492)	(32,270)	(23,100)
Others	8,708	(26,781)	133
	667,128	705,063	586,512

(i) Unified Communications Sdn Bhd (''UCSB''), one of the wholly-owned subsidiary has been granted Multimedia Super Corridor (''MSC'') status company in December 2000 under the Promotion of Investment Act, 1986 for a period of five years beginning from 21 December 2000 to 20 December 2005 by the Government of Malaysia. As a MSC status company, UCSB enjoys certain incentives, including a five years pioneer status tax exemption on profits generated from the MSC-qualifying activities for the same period. However, UCSB is required to adhere to the business activities outlined in its business plan submitted together with its application for MSC status.

13. TAX *(cont'd)*

MSC qualifying activities are as follows:

(a) develop mobile/wireless application solutions;

(b) develop service providers grade multimedia conferencing system;

(c) develop service providers grade public unified messaging system;

(d) develop mobile phone management system;

(e) further develop UniLink — open software platform;

(f) special software implementation to customise, alter and enhance any of the software above to suit its clients' requirements;

(g) provide support and services which include network design services, integration of equipment at customers' premises, on-site technical support, test assistance and setting up of an internet portal to provide technical assistance to clients that have installed UCSB's solutions; and

(h) establishment of a regional telecommunications training centre for clients who have installed UCSB's solutions.

UCSB's MSC status may be renewed for a further 5 years period commencing from 21 December 2005 to 20 December 2010, upon formal application to the Multimedia Development Corporation (''MDC''), the Malaysian body that oversees the development of the MSC, on or before 21 December 2005 and subject to the MDC's confirmation that UCSB has continued to comply with all the conditions for MSC status.

14. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise the following:

	As at 31 December 2002 $
Bank and cash balances	2,500,483
Less: bank overdrafts (note 22)	(3,641)
Cash and cash equivalents per cash flow statement	2,496,842

15. DEPOSITS PLACED WITH FINANCIAL INSTITUTIONS

Relates to restricted deposits placed under lien with financial institutions for the term loan and other banking facilities (refer note 22) extended to the Group.

16. TRADE AND OTHER RECEIVABLES

	As at 31 December 2002 $
Trade debtors	12,699,478
Less: Provision for doubtful debts	(89,187)
	12,610,291
Amount due from related parties (non-trade)	63,629
	12,673,920
Movement in the provision:	
Balance at the beginning of the financial year	443,721
Provision made during the financial year	22,777
Exchange differences	(5,052)
Bad debts written off against provision	(194,670)
Provision for doubtful debts written back	(177,589)
Balance at the end of the financial year	89,187

17. CONTRACT WORK-IN-PROGRESS

	As at 31 December 2002 $
Contract costs incurred plus recognised profits	1,295,586
Progress billings	(1,030,290)
	265,296

18. INVENTORIES

	As at 31 December 2002 $
Inventories, at cost	5,881,595

19. OTHER CURRENT ASSETS

	As at 31 December 2002 $
Deposits	174,084
Prepayments	109,504
Other receivables (note a)	109,439
	393,027

(a) Other receivables include an amount of $50,000 relating to expenses in connection with the listing of shares.

20. PLANT AND EQUIPMENT

	Office equipment, furniture and renovation $	Telecommunication and development equipment $	Computers $	Motor vehicles $	Total $
Cost					
At 1 January 2002	516,856	2,413,586	233,820	—	3,164,262
Exchange rate adjustments	(18,079)	(68,973)	(5,665)	—	(92,717)
Additions, at cost	379,842	677,187	205,502	24,672	1,287,203
Disposals	(38,192)	(196,402)	(5,146)	—	(239,740)
Transfers from/(to) inventory	—	44,067	(20,390)	—	23,677
Written off	(36,918)	—	(2,935)	—	(39,853)
At 31 December 2002	803,509	2,869,465	405,186	24,672	4,102,832
Accumulated depreciation					
At 1 January 2002	120,030	552,978	49,801	—	722,809
Exchange rate adjustments	(8,017)	(16,618)	(783)	(57)	(25,475)
Depreciation charge	135,763	497,458	89,708	2,113	725,042
Disposals	(15,004)	(102,282)	(4,574)	—	(121,860)
Transfers to inventory	—	—	(6,797)	—	(6,797)
Written off	(14,317)	—	(1,467)	—	(15,784)
At 31 December 2002	218,455	931,536	125,888	2,056	1,277,935
Net book value At 31 December 2002	**585,054**	**1,937,929**	**279,298**	**22,616**	**2,824,897**

21. TRADE AND OTHER PAYABLES

	As at 31 December 2002 $
Trade creditors	3,458,917
Accrued operating expenses	1,125,576
Amount payable to a director	484,953
Amounts payable to a related party (non-trade)	1,558
Other creditors	207,729
	5,278,733

Amount payable to a director and related party are unsecured, interest free and with no fixed terms of repayment.

22. BORROWINGS (SECURED)

	As at 31 December 2002 $
Current	
Bank overdrafts (a)	3,641
Term loan (b)	70,498
	74,139
Non-current	
Term loan (b)	164,495
TOTAL BORROWINGS	238,634

(a) Overdraft and other banking facilities

The overdraft and other banking facilities are secured by way of:

(i) memorandum of deposit for fixed deposits of RM500,000 ($228,446) and $300,000 of a Malaysian and Singapore subsidiary respectively.

(ii) debenture charge for RM3,300,000 ($1,507,744) on the present and future fixed and floating assets of a subsidiary.

(iii) joint and several guarantees by the directors of a subsidiary for RM3,300,000 ($1,507,744).

(iv) personal guarantees of one of the director of a subsidiary amounting to $500,000.

(v) proportionate guarantee by a shareholder of subsidiary up to RM825,000 ($376,936).

22. BORROWINGS (SECURED) *(cont'd)*

(b) Term loan

Term loan is secured by way of:

(i) memorandum of deposit for RM300,000 ($137,068) which represents 50% of fixed deposit under lien for the first loan disbursement of RM600,000 ($274,136).

(ii) debenture charge created for total term loan approved of RM2,400,000 ($1,096,541) on present and future fixed and floating assets to a subsidiary.

(iii) joint and several guarantees by the directors of a subsidiary of RM2,400,000 ($1,096,541).

(iv) proportionate guarantee by a shareholder of a subsidiary up to RM600,000 ($$274,136).

(c) Effective interest rates

The weighted average effective interest rates at the balance sheet date are as follows:

	As at 31 December 2002 $
Bank overdrafts	8.15%
Term loan	8.15%

(d) Carrying amounts and fair values

The borrowing rates for long-term bank loan are variable. The directors expect the borrowings rates to be similar to the borrowings rates to be available to the Group at the balance sheet date. The directors are of the opinion that the carrying amounts of the long-term bank loans approximate their fair values.

(e) Maturity of non-current borrowings

Maturity of non-current borrowings is as follows:

	As at 31 December 2002 $
Between 1 and 2 years	70,498
Between 2 and 5 years	93,997
	164,495

23. DEFERRED TAX

Movement on the Group's deferred tax assets and liabilities during the financial year is as follows:

Deferred tax liabilities/(assets)

	Accelerated tax depreciation	Provisions	Others	Total
	$	$	$	$
At 1 January 2002	481,716	(92,404)	(24,526)	364,786
(Credited)/charged to Income Statement	(107,304)	52,858	(32,093)	(86,539)
Exchange differences	(9,519)	3,424	2,076	(4,019)
At 31 December 2002	364,893	(36,122)	(54,543)	274,228

24. OPERATING LEASE COMMITMENTS

	As at 31 December 2002
	$
Within 1 year	719,156
Between 1 and 5 years	284,874
	1,004,030

25. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks, mainly the effects of change in foreign currency exchange rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out under policies approved by the Board of Directors. The overall risk management covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and liquidity risk is controlled and monitored on a daily basis.

(i) *Foreign exchange risk*

The foreign currency exchange risk arises mainly from the Group's transactions with foreign trade debtors and creditors. The Group monitors the movement in foreign currency exchange rates closely to ensure their exposure are minimised.

In addition, the Group has investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. Currency exposure to the net assets of the Group's overseas subsidiaries is managed primarily through borrowings denominated in the relevant foreign currencies.

25. FINANCIAL RISK MANAGEMENT *(cont'd)*

(ii) *Interest rate risk*

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets or liabilities other than fixed deposits and bank term loans.

(iii) *Credit risk*

The Group's business is not exposed to any significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

(iv) *Liquidity risk*

The operations of the Group are cash generative. For reasons of prudence, the Group maintains sufficient cash and committed credit lines with banks to ensure availability of sufficient funding. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

26. NET FAIR VALUES

The carrying amounts of the following financial assets and liabilities approximate their fair value: cash, trade and other receivables, trade and other payables and current borrowings. Information on the fair value of long-term bank loan is set out in note 22.

27. RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in the proforma financial statements, the following significant transactions between the Group and related parties took place during the financial year on terms agreed between the parties concerned:

	Financial year ended 31 December		
	2000	**2001**	**2002**
	$	**$**	**$**
Rental and maintenance fees charged to a company in which a director has an interest	—	44,683	81,000
Rental and maintenance fees charged to a company in which a shareholder has an interest	—	23,850	81,000
Rental and maintenance fees charged by a fellow subsidiary company	—	—	112,550
Technical support and service fees charged to a company in which a director has an interest	—	—	66,066

28. STATEMENT OF ADJUSTMENTS

In preparing the proforma financial statements, the following adjustments have been made to the audited financial statements of the companies in the Group for the financial years ended 31 December 2000 to 2002.

	Financial year ended 31 December		
	2000	**2001**	**2002**
	$	**$**	**$**
Sales			
Sales from summation of financial statements	15,065,727	32,515,599	34,520,678
Sales from 1 October 1999 to 31 December 1999 (Note 1)	(1,128,259)	—	—
Elimination of intercompany sales within the Group	(2,592,240)	(8,147,051)	(6,234,488)
Adjusted sales as stated in the Proforma Income Statement	11,345,228	24,368,548	28,286,190
Profit before tax			
Profit before tax from summation of financial statements	2,193,027	8,987,764	9,644,012
Loss before tax from 1 October 1999 to 31 December 1999 (Note 1)	40,787	—	—
Elimination of unrealised loss arising from sale of fixed assets	—	20,096	—
Elimination of unrealised profits in inventories within the Group	—	(33,121)	(133,727)
Realisation of last year's unrealised profit in inventories within the Group and inter company transactions	—	—	40,170
Recognition of unrealised foreign exchange loss arising on elimination of intercompany balances	—	(27,145)	—
Adjusted profit before tax as stated in the Proforma Income Statement	2,233,814	8,947,594	9,550,455
Tax			
Tax from summation of financial statements	621,485	768,634	620,993
Under/(over) provision adjustments	45,643	(80,718)	—
Deferred tax on unrealised profit on inventories within the Group	—	—	(32,689)
Adjusted tax as stated in the Proforma Income Statement	667,128	687,916	588,304

(1) The financial statements of UCPL for the period ended 31 December 2000 are for a 15 months period from 1 October 1999 to 31 December 2000. For purposes of preparing the Proforma financial results, the financial results of UCPL have been adjusted to exclude the results for the period from 1 October 1999 to 31 December 1999.

28. STATEMENT OF ADJUSTMENTS *(cont'd)*

	As at 31 December 2002 $
Total assets	
Total assets from summation of financial statements	30,390,335
Elimination of intercompany balances within the Group	(4,640,673)
Elimination of unrealised profits in inventories within the Group	(133,727)
Adjusted total assets as stated in the Proforma Balance Sheet	25,615,935
Total liabilities	
Total liabilities from summation of financial statements	11,146,349
Elimination of intercompany balances within the Group	(4,640,673)
Deferred tax on unrealised profit on inventories within the Group	(32,689)
Adjusted total liabilities as stated in the Proforma Balance Sheet	6,472,987

29. DIVIDENDS

The Company has not declared any dividends since its incorporation on 27 December 2002.

The Directors of Unified Communications Pte Ltd proposed a final dividend of 15.60 cents per share amounting to $156,000, net of income tax at 22%, in respect of the financial year ended 31 December 2002. These financial statements do not reflect this dividend payable, which will be accounted for as an appropriation of retained earnings in the year ending 31 December 2003.

The Directors of Unified Communications Sdn Bhd proposed a final dividend of RM0.144 (6.63 Cents) per share amounting to RM144,029 ($66,585), net of income tax at 28% in respect of the financial year ended 31 December 2002. These financial statements do not reflect this dividend payable, which will be accounted for as an appropriation of retained earnings in the year ending 31 December 2003.

COMPILATION REPORT ON EXAMINATION OF INTERIM PROFORMA FINANCIAL STATEMENTS OF THE GROUP

The Board of Directors
Unified Communications Holdings Limited
390 Havelock Road
#04-06 King's Centre
Singapore 169662

10 February 2004

Dear Sirs

We report on the interim proforma financial statements of Unified Communications Holdings Limited (''the Company'' and referred to collectively with its subsidiaries as ''the Group'') set out in pages A-29 to A-51 of the Prospectus to be issued in relation to the initial public offering of the shares of the Company on the Singapore Exchange Securities Trading Limited. This report, together with the interim proforma financial statements of the Group, prepared for illustrative purposes, have been prepared in accordance with the provisions set out in the Fifth Schedule of the Securities & Futures (Offers of Investments) (Shares and Debentures) Regulations 2002 and are based on certain assumptions and after making certain adjustments to show what:

(i) the financial results of the Group for the six-months ended 30 June 2003 would have been if the group structure (as described in note 3 to the interim proforma financial statements of the Group) as of date of lodgement of prospectus had been in place since 1 January 2000;

(ii) the financial position of the Group as of the date of the balance sheet as at 30 June 2003 would have been if the group structure as of date of lodgement of prospectus had been in place on that date; and

(iii) the changes in equity, and the cash flows of the Group for the six-months ended 30 June 2003 would have been if the group structure as of the date of lodgement of the prospectus had been in place since 1 January 2000.

The interim proforma financial statements of the Group, because of their nature, may not give a true picture of the Group's actual financial results, financial position, changes in equity or cash flows of the Group.

The interim proforma financial statements of the Group are the responsibility of the directors of the Company. Our responsibility is to express an opinion on the interim proforma financial statements based on our work.

We carried out procedures in accordance with Singapore Statement of Auditing Practice: SAP 24: ''Auditors and Public Offering Documents''. Our work, which involved no independent examination of the underlying interim financial statements, consisted primarily of comparing the interim proforma financial statements of the Group with the unaudited financial information of individual companies within the Group, considering the appropriateness of the adjustments and discussing the interim proforma financial information with the directors of the Company.

COMPILATION REPORT ON EXAMINATION OF INTERIM PROFORMA FINANCIAL STATEMENTS OF THE GROUP

In respect of the unaudited financial information of individual companies within the Group, referred to in the preceding paragraph, which has been used in the compilation of the Interim Proforma Financial Statements of the Group, we have performed a review of the unaudited financial information of companies in the Group for the six-months ended 30 June 2003. The unaudited financial information is the responsibility of the directors of respective companies. We conducted the review in accordance with Singapore Statement on Auditing applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the unaudited financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the unaudited financial information of the Group is not suitable, in all material respects, for the purpose of the compilation of the Interim Proforma Financial Statements of the Group.

(a) In our opinion, the interim proforma financial statements have been properly prepared:

    (i) in a manner consistent with the format of the financial statements and the accounting policies of the Company, which are in accordance with Singapore Financial Reporting Standards; and

    (ii) on the basis stated in note 4 to the interim proforma financial statements of the Group.

(b) each material adjustment made to the information used in the preparation of the interim proforma financial information is appropriate for the purpose of preparing such interim financial statements.

(c) no material adjustments are required to re-state the financial statements of Unified Communications Sdn Bhd, a company not incorporated in Singapore, to be in accordance with Singapore Financial Reporting Standards (FRS) as there are no significant differences between the accounting standards adopted by the Malaysian subsidiary in the preparation of its financial statements and FRS which are applicable to such interim proforma financial statements.

Yours faithfully,

PricewaterhouseCoopers
Certified Public Accountants
Singapore

Partner — Seow Teng Peng

UNIFIED COMMUNICATIONS HOLDINGS LIMITED

INTERIM PROFORMA INCOME STATEMENT

	Notes	Six-months ended 30 June 2002 (Unaudited) $	Six-months ended 30 June 2003 (Unaudited) $
Sales	6	10,759,120	12,785,191
Cost of sales		(5,147,434)	(5,415,071)
Gross profit		5,611,686	7,370,120
Other operating income		161,792	52,944
Technical support expenses		(930,002)	(1,356,076)
Distribution costs		(799,053)	(1,369,056)
Administrative expenses		(837,236)	(981,666)
Operating profit	7	3,207,187	3,716,266
Finance income	8	1,168	3,156
Finance costs	9	(2,168)	(39,379)
Profit before tax		3,206,187	3,680,043
Tax	12	(339,382)	(254,641)
Profit after tax		2,866,805	3,425,402
Minority interest		—	9,843
Net profit attributable to shareholders		2,866,805	3,435,245

The accompanying notes form an integral part of the financial statements.

UNIFIED COMMUNICATIONS HOLDINGS LIMITED

INTERIM PROFORMA BALANCE SHEET

	Notes	As at 30 June 2003 (Unaudited) $
Current assets		
Bank and cash balances	13	896,212
Deposits placed with financial institutions	14	854,760
Trade and other receivables	15	15,667,179
Contract work-in-progress	16	1,281,009
Inventories	17	6,152,241
Other current assets	18	654,652
		25,506,053
Non-current asset		
Plant and equipment	19	3,033,109
Total assets		28,539,162
Current liabilities		
Trade and other payables	20	4,242,578
Current tax		464,010
Hire purchase liabilities	21	40,500
Borrowings (secured)	22	724,710
		5,471,798
Non-current liabilities		
Hire purchase liabilities	21	151,862
Borrowings (secured)	22	109,647
Deferred tax	23	280,043
		541,552
Total liabilities		6,013,350
Net assets		22,525,812
Shareholders' equity		22,525,812

The accompanying notes form an integral part of the financial statements.

INTERIM PROFORMA STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Six-months ended 30 June 2002 (Unaudited) $	Six-months ended 30 June 2003 (Unaudited) $
Balance at beginning of the financial period		10,868,249	19,133,248
Foreign currency translation differences		(381,735)	179,904
Net profit		2,866,805	3,435,245
Dividends to existing shareholders	29	—	(222,585)
Balance at end of the financial period		13,353,319	22,525,812

The accompanying notes form an integral part of the financial statements.

UNIFIED COMMUNICATIONS HOLDINGS LIMITED

INTERIM PROFORMA CASH FLOW STATEMENT

	Note	Six-months ended 30 June 2002 (Unaudited) $	Six-months ended 30 June 2003 (Unaudited) $
Cash flows from operating activities			
Profit before tax		3,206,187	3,680,043
Adjustments for:			
Depreciation of plant and equipment		330,348	442,368
Plant and equipment written off		—	3,468
Gain on disposal of plant and equipment		(22,196)	(40,522)
Interest expense		2,168	39,379
Interest income		(1,168)	(3,156)
Adjustment for foreign exchange differences		(338,623)	167,503
Operating profit before working capital changes		3,176,716	4,289,083
Changes in operating assets and liabilities			
Receivables		(752,608)	(2,993,260)
Other current assets		(1,676,651)	(261,625)
Excess of progress billing over contract costs plus profit		(414,739)	—
Inventories and work-in-progress		(2,642,229)	(1,286,359)
Payables		1,851,309	(899,669)
Cash generated from operations		(458,202)	(1,151,830)
Income tax paid		(411,267)	(469,604)
Interest paid		(2,168)	(39,379)
Net cash outflow from operating activities		(871,637)	(1,660,813)
Cash flows from investing activities			
Purchase of plant and equipment		(338,642)	(654,558)
Proceeds from disposal of plant and equipment		35,860	56,972
Interest received		1,168	3,156
Net cash outflow from investing activities		(301,614)	(594,430)
Cash flows from financing activities			
Deposits placed with financial institution		—	221,957
Payment of borrowings		—	(33,988)
Proceeds from borrowings		—	633,352
Proceeds from hire purchases		—	202,487
Payment of hire purchase		—	(10,124)
Proceeds from loan from a director		819,664	—
Loan repayment to a director		—	(359,071)
Net cash inflow from financing activities		819,664	654,613
Net change in bank and cash balances		(353,587)	(1,600,630)
Bank and cash balances at the beginning of the financial period		1,223,417	2,496,842
Cash and cash balances at the end of the financial period	13	869,830	896,212

The accompanying notes form an integral part of the financial statements.

NOTES TO THE INTERIM PROFORMA FINANCIAL STATEMENTS

1. INTRODUCTION

The interim proforma financial statements of the Group for the six-months ended 30 June 2003 have been prepared for the inclusion in the Prospectus of Unified Communications Holdings Limited (the ''Company'') to be lodged with the Monetary Authority of Singapore in connection with the Invitation by the Company in respect of the issue of 73,500,000 ordinary shares of $0.08 each at S$0.28 per share for cash comprising 38,000,000 New Shares and 35,500,000 Vendor Shares.

2. THE COMPANY

The Company was incorporated on 27 December 2002 under the Singapore Companies Act Cap 50 as a private limited company under the name of Unified Communications Holdings Pte. Ltd. On 14 January 2004, the Company was converted into a public limited company and changed its name to Unified Communications Holdings Limited. The principal activity of the Company is that of an investment holding company.

As at 31 December 2002, the authorised share capital of the Company was $1,000,000, divided into 1,000,000 ordinary shares of $1.00 each and the issued and paid-up share capital of the Company was $2.00 divided into 2 ordinary shares of $1.00 each.

On 16 December 2003, the Shareholders approved the increase of the authorised share capital of the Company to $50,000,000, divided into 50,000,000 ordinary shares of $1.00 each.

On 15 January 2004, the Company carried out the Restructuring Exercise, comprising the Group Restructuring as set out on pages 96 and 97 of the Prospectus and the following:

(a) the consolidation of every two of the ordinary shares of $1.00 each in the capital of the Company into one ordinary share of $2.00 each (the Share Consolidation);

(b) the sub-division of each ordinary share of $2.00 each in the capital of the Company into 25 ordinary shares of $0.08 each (the Share Split);

(c) the issue of the New Shares in connection with the Company's initial public offer which, when fully paid, will rank *pari passu* in all respects with the existing ordinary shares of $0.08 each in the capital of the Company;

(d) the adoption of a set of new Articles of Association in substitution for the existing Articles of Association of the Company; and

(e) that authority be given to the Directors to allot and issue shares in the Company or convertible securities (whether by way of rights, bonus or otherwise) from time to time and at any time and upon such terms and conditions and for such purposes and to such persons as the Directors shall in their absolute discretion deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to such authority shall not exceed 50% of the post-Invitation issued share capital of the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to the then existing shareholders of the Company shall not exceed 20% of the post-Invitation issued share capital of the Company (the percentage of the post-Invitation issued share capital being adjusted for new shares arising from the conversion of convertible securities or employee share options in issue at the time such authority is given and any subsequent consolidation or subdivision of shares), and, unless revoked or varied by the Company in general meeting, such authority shall continue in full force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting is required by law or by our Articles of Association to be held, whichever is earlier.

3. THE GROUP

The Company implemented a restructuring exercise comprising the Group Restructuring ("the Restructuring Exercise") in preparation for its listing on the Singapore Exchange Securities Trading Limited. Details of the Group Restructuring Exercise are set out on pages 96 and 97 of the Prospectus.

The Company and its subsidiaries acquired pursuant to the Restructuring Exercise are collectively referred to as the Group.

Upon the completion of the Restructuring Exercise, the Company has the following subsidiaries:

Name of company	Principal activities	Country of incorporation/ Place of business	Percentage of equity holding by the Group	Issued and paid-up capital	Date of incorporation/ acquisition
Subsidiaries					
Unified Communications Pte Ltd ("UCPL")[1]	Distribution of telecommunication products, design and development of telecommunication solutions, project management, maintenance and support services for telecommunication industry	Singapore	100%	$1,000,000	28 May 1998
Unified Communications Sdn Bhd ("UCSB")[1]	Research and development, software engineering, system integration, project management, maintenance and support services for telecommunication industry	Malaysia	100%	RM 1,000,200	24 March 1998
Attrix Technology Pte Ltd ("Attrix Singapore")[2]	Distribution of telecommunication products	Singapore	100%	$2	21 December 2001
AttrixTech Sdn Bhd ("Attrix Malaysia")[3]	Distribution of telecommunication products.	Malaysia	100%	RM 2	6 March 2002
Unified Communications Limited ("UCHK")[2]	Distribution of telecommunication products and the provision of design and development of telecommunication solutions, project management, maintenance and support services for the telecommunication industry.	Hong Kong	51%	HK$ 10,000	22 November 2002 (date of acquisition)

Notes:

(1) Held by Unified Communications Holdings Limited

(2) Held by UCPL

(3) Held by UCSB

4. BASIS OF PREPARATION OF THE INTERIM PROFORMA FINANCIAL STATEMENTS

The objective of the interim proforma financial statements of the Group is to show what the historical information might have been had the Group mentioned in note 3 to the interim proforma financial statements existed since 1 January 2000. However, the interim proforma financial statements of the Group are not necessarily indicative of the results of the operations or related effects on the financial position that would have been attained had the Group, actually existed since 1 January 2000.

The interim proforma financial statements are prepared for illustrative purposes only and are based on certain assumptions and after making certain adjustments to show what the financial results of the Group for the six-months ended 30 June 2003 and the financial position of the Group as at 30 June 2003 would have been if the Restructuring Exercise, as described in note 3 to the interim proforma financial statements had been in place since 1 January 2000.

The interim proforma financial statements, because of their nature, may not give a true picture of the Group actual financial position or results.

The interim proforma financial statements of the Group have been prepared in accordance with the historical cost convention and are expressed in Singapore dollars. They have been prepared from financial statements based on accounting policies of the Group which are in accordance with Singapore Financial Reporting Standards.

Significant balances and transactions and resulting unrealised profits between companies within the Group have been eliminated in the computation of the interim proforma financial statements of the Group.

The interim proforma financial information for the six-months ended 30 June 2003 and 2002 have not been audited and they are derived from the management financial statements for the respective financial periods. However, the financial information for the six-months ended 30 June 2003 of the entities included in the interim proforma financial statements have been reviewed by the respective auditors except that the interim financial statements of UCHK for the six-months ended 30 June 2003 were not subject to any review. However, the results of UCHK are not considered significant to the Group.

The interim proforma figures for six-months ended 30 June 2003 are for comparison purposes only and financial information of the entities included have neither been audited nor reviewed.

The financial statements that have been included in the Group are as follows:

Name of Company	**Period included in Proforma Financial Statements**
Company	
Unified Communications Holdings Limited	For the six-months ended 30 June 2003.
Subsidiaries	
Unified Communications Pte Ltd	For the six-months ended 30 June 2003.
Unified Communications Sdn Bhd	For the six-months ended 30 June 2003.
Attrix Technology Pte Ltd (subsidiary of UCPL)	For the six-months ended 30 June 2003.
AttrixTech Sdn Bhd (subsidiary of UCSB)	For the six-months ended 30 June 2003.
Unified Communications Limited (subsidiary of UCPL)	For the six-months ended 30 June 2003.

4. BASIS OF PREPARATION OF THE INTERIM PROFORMA FINANCIAL STATEMENTS *(cont'd)*

The consolidated financial statements of UCPL and its subsidiaries were prepared in accordance with Singapore Financial Reporting Standards.

The consolidated financial statements of UCSB and its subsidiary were prepared in accordance with the provisions of the Malaysian Companies Act, 1965 and applicable Approved Accounting standards in Malaysia.

No material adjustments are required to re-state the consolidated financial statements of UCSB and its subsidiary, companies not incorporated in Singapore to be in accordance with Singapore Financial Reporting Standards (FRS) as there are no significant differences between the accounting standards adopted by the Malaysian subsidiaries in the preparation of their financial statements and FRS which are applicable to such proforma financial statements.

The interim financial statements of Company, UCPL and Attrix Singapore were reviewed by PricewaterhouseCoopers, Singapore (a member of the Institute of Certified Public Accountants of Singapore).

The interim financial statements of UCSB and Attrix Malaysia were reviewed by PricewaterhouseCoopers Malaysia, a member of Malaysia Institute of Accountants.

The interim financial statements of UCHK for six-months ended 30 June 2003 were not subject to any review. Auditors of UCHK are K.K. Lee & Hui, Hong Kong, a member of Hong Kong Society of Accountants.

5. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been consistently applied in the preparation of the interim financial statements of the Group are as follows:

(a) Foreign currencies

Transactions in foreign currencies during the financial period are converted to Singapore dollars at the rates of exchange prevailing on the transaction dates. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the balance sheet date or at contracted rates where they are covered by foreign exchange contracts. Exchange differences arising are taken to the interim proforma income statements.

For the purpose of preparing the interim proforma financial statements, the assets and liabilities of foreign subsidiaries are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date, and the results of the subsidiaries are translated using the weighted average exchange rates for the financial period. The exchange differences arising on translation of foreign subsidiaries are taken directly to the foreign currency translation reserve. On disposal, these translation differences are recognised in the interim proforma income statements as part of the gain or loss on disposal.

(b) Revenue recognition

Revenue from sale of goods is recognised upon passage of title to the customers which generally coincides with their delivery and acceptance.

5. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(b) Revenue recognition ***(cont'd)***

Revenue and profit from contracts are recognised on an individual contract basis using the percentage of completion method, when the stage of contract completion can be reliably determined, costs to date can be clearly identified, and the total contract revenue to be received and costs to complete can be reliably estimated. The percentage of completion is estimated by the management with reference to the stage of completion of the work as accepted by the customer. Where it is probable that a loss will arise from a contract, the excess of total estimated costs over revenue is recognised as an expense immediately.

Revenue from maintenance contracts is recognised on a straight line basis over the period of the respective contracts.

Revenue from the rendering of services is recognised on an accrual basis.

Interest income is accrued on a day-to-day basis.

Dividend income is recorded gross in the income statements in the accounting period in which a dividend is proposed.

(c) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on plant and equipment.

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(d) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of bank overdrafts.

(e) Trade debtors

Trade debtors are carried at original invoice less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off during the financial year in which they are identified.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Provision is made where necessary for obsolete, slow-moving and defective inventories.

5. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(g) Contract work-in-progress

Contract work-in-progress is stated at the aggregate of contract costs incurred to date plus profits recognised based on the value of work completed less progress billings and provision for foreseeable losses.

For contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under current liabilities.

Cost includes both variable and fixed costs directly related to specific contracts and those which can be attributed to contract activity in general and which can be allocated to specific contracts. Also included are any costs expected to be incurred under penalty clauses and rectification provisions.

(h) Plant and equipment

All plant and equipment are stated at cost less accumulated depreciation.

(i) Depreciation of plant and equipment

Depreciation is calculated on a straight-line basis to write off the cost of plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Office equipment, furniture and renovation	5 years
Telecommunication and development equipment	5 years
Computer equipment	3–5 years
Motor vehicles	5 years

Where the carrying amount of a plant and equipment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

(j) Accounting for leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of the leased assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statements over the lease period. Plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Operating lease payments are charged to the income statements on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

5. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(k) Research and development expenditure

Research and development expenditure is written off as an expense when incurred except that expenditure relating to specific product development projects intended for commercial exploitation is carried forward so long as it can reasonably be expected to be recovered from related future revenues. Such expenditure is amortised over the periods expected to benefit from it, commencing with the period in which commercial production and sales are first made.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Warranty

The Group recognises the estimated liability on in-house developed software still under warranty at the balance sheet date. This provision is calculated based on service histories, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(m) Related Parties

The related parties refer to companies in which a director of the Group has substantial interests or with common shareholders and/or directors.

(n) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

6. SALES

	Six-months ended 30 June	
	2002 (Unaudited) $	**2003 (Unaudited) $**
Distribution of telecommunication products	2,445,295	2,777,671
Proprietary solutions	8,313,825	10,007,520
	10,759,120	12,785,191

7. OPERATING PROFIT

	Six-months ended 30 June	
	2002 (Unaudited)	**2003 (Unaudited)**
	$	**$**
Operating profit is arrived at after:		
Charging:		
Auditors' remuneration		
— Auditors of the Company	11,500	11,500
— Other Auditors	4,696	4,696
Depreciation of plant and equipment:		
— Office equipment, furniture and renovation	55,225	83,892
— Telecommunication and development equipment	239,492	271,000
— Computers	35,631	67,358
— Motor vehicle	—	20,118
Directors' remuneration		
— Company	—	—
— Subsidiaries	29,000	70,134
Plant and equipment written off	—	3,468
Office rental expense — operating leases	319,016	458,684
Net foreign exchange loss	8,083	98,864
And Crediting:		
Gain on disposal of plant and equipment	22,196	40,522
Provision for doubtful trade debts written back	110,459	—

8. FINANCE INCOME

	Six-months ended 30 June	
	2002 (Unaudited)	**2003 (Unaudited)**
	$	**$**
Interest income from banks	1,168	3,156

9. FINANCE COSTS

	Six-months ended 30 June	
	2002 (Unaudited) $	2003 (Unaudited) $
Interest expense — banks	2,168	39,379

10. REMUNERATION BAND OF DIRECTORS

	Six-months ended 30 June	
	2002 (Unaudited) $	2003 (Unaudited) $
Number of directors of the Company in remuneration bands:		
$500,000 to $749,999	—	—
$250,000 to $499,999	—	—
Below $250,000	1	2
Total	1	2

11. STAFF COSTS

	Six-months ended 30 June	
	2002 (Unaudited) $	2003 (Unaudited) $
Wages and salaries	1,399,206	1,903,571
Employer's contribution to defined contribution plans including Central Provident Fund	196,848	240,630
	1,596,054	2,144,201

Number of employees at the end of the financial period:

	Six-months ended 30 June	
	2002 (Unaudited) $	2003 (Unaudited) $
Full time	128	184

12. TAX

Tax expense

	Six-months ended 30 June	
	2002 (Unaudited) $	2003 (Unaudited) $
Tax expense attributable to profit is made up of:		
Current income tax provision		
Singapore	237,359	120,266
Foreign	102,023	129,279
	339,382	249,545
Under provision in preceding financial year		
— Deferred tax	—	5,096
	339,382	254,641

The tax expense on the results for the financial periods varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to:

	Six-months ended 30 June	
	2002 (Unaudited) $	2003 (Unaudited) $
Profit before tax	3,206,187	3,680,043
Tax calculated at a tax rate of 22%	705,361	809,609
Effect of changes in tax rate	(28,804)	—
Effect of different tax rates in other countries	28,351	27,046
Income not subject to tax due to MSC Status (note (i))	(366,213)	(612,964)
Expenses not deductible for tax purposes	23,787	54,050
Singapore statutory stepped income exemption and tax rebates	(23,100)	(23,100)
	339,382	254,641

(i) Unified Communications Sdn Bhd (''UCSB''), one of the wholly-owned subsidiary has been granted Multimedia Super Corridor (''MSC'') status company in December 2000 under the Promotion of Investment Act, 1986 for a period of five years beginning from 21 December 2000 to 20 December 2005 by the Government of Malaysia. As a MSC status company, UCSB enjoys certain incentives, including a five years pioneer status tax exemption on profits generated from the MSC-qualifying activities for the same period. However, UCSB is required to adhere to the business activities outlined in its business plan submitted together with its application for MSC status.

12. TAX *(cont'd)*

MSC qualifying activities are as follows:

(a) develop mobile/wireless application solutions;

(b) develop service providers grade multimedia conferencing system;

(c) develop service providers grade public unified messaging system;

(d) develop mobile phone management system;

(e) further develop UniLink — open software platform;

(f) special software implementation to customise, alter and enhance any of the software above to suit its clients' requirements;

(g) provide support and services which include network design services, integration of equipment at customers' premises, on-site technical support, test assistance and setting up of an internet portal to provide technical assistance to clients that have installed UCSB's solutions; and

(h) establishment of a regional telecommunications training centre for clients who have installed UCSB's solutions.

UCSB's MSC status may be renewed for a further 5 years period commencing from 21 December 2005 to 20 December 2010, upon formal application to the Multimedia Development Corporation (''MDC''), the Malaysian body that oversees the development of the MSC, on or before 21 December 2005 and subject to the MDC's confirmation that UCSB has continued to comply with all the conditions for MSC status.

13. BANK AND CASH BALANCES

	As at 30 June 2003 (Unaudited) $
Bank and cash balances per cash flow statement	896,212

14. DEPOSITS PLACED WITH FINANCIAL INSTITUTIONS

Relates to restricted deposits placed under lien with financial institutions for the term loan and other banking facilities (refer note 22) of the Group.

15. TRADE AND OTHER RECEIVABLES

	As at 30 June 2003 (Unaudited) $
Trade debtors	15,623,574
Less: Provision for doubtful debts	(90,243)
	15,533,331
Amount due from related parties (non-trade)	133,848
	15,667,179
Movement in the provision:	
Balance at the beginning of the financial period	89,187
Exchange differences	1,056
Balance at the end of the financial period	90,243

16. CONTRACT WORK-IN-PROGRESS

	As at 30 June 2003 (Unaudited) $
Contract costs incurred plus recognised profits	1,281,009

17. INVENTORIES

	As at 30 June 2003 (Unaudited) $
Inventories, at cost	6,152,241

18. OTHER CURRENT ASSETS

	As at 30 June 2003 (Unaudited) $
Deposits	174,870
Prepayments	83,471
Other receivables (note a)	396,311
	654,652

(a) Other receivables include an amount of $176,511 relating to expenses in connection with the listing of shares.

19. PLANT AND EQUIPMENT

	Office equipment, furniture and renovation	Telecommunication and development equipment	Computers	Motor vehicles	Total
	$	$	$	$	$
Cost					
At 1 January 2003	803,509	2,869,465	405,186	24,672	4,102,832
Exchange rate adjustments	6,424	19,816	2,178	156	28,574
Additions, at cost	151,918	40,359	196,376	265,905	654,558
Disposals	(2,343)	(32,068)	(5,983)	—	(40,394)
Transfers to inventory	—	—	(4,742)	—	(4,742)
Written off	—	—	(3,861)	—	(3,861)
At 30 June 2003	959,508	2,897,572	589,154	290,733	4,736,967
Accumulated depreciation					
At 1 January 2003	218,455	931,536	125,888	2,056	1,277,935
Exchange rate adjustments	3,246	9,793	(502)	98	12,635
Depreciation charge	83,892	271,000	67,358	20,118	442,368
Disposals	(598)	(20,091)	(5,983)	—	(26,672)
Transfers to inventory	—	—	(2,015)	—	(2,015)
Written off	—	—	(393)	—	(393)
At 30 June 2003	304,995	1,192,238	184,353	22,272	1,703,858
Net book value At 30 June 2003	**654,513**	**1,705,334**	**404,801**	**268,461**	**3,033,109**

20. TRADE AND OTHER PAYABLES

	As at 30 June 2003 (Unaudited)
	$
Trade creditors	2,802,540
Accrued operating expenses	691,796
Advance billings	92,495
Amount payable to a director	125,882
Dividend payable	222,585
Other creditors	307,280
	4,242,578

Amount payable to a director is unsecured, interest free and with no fixed terms of repayment.

21. HIRE PURCHASE LIABILITIES

	As at 30 June 2003 (Unaudited) $
Minimum lease payments due:	
Within 1 year	47,181
Between 2 and 5 years	176,920
	224,101
Less: Future finance charge	(31,739)
Present value of future lease liabilities	192,362
The present value of finance lease liabilities is as follows:	
Within 1 year	40,500
Between 2 and 5 years	151,862
	192,362

22. BORROWINGS (SECURED)

	As at 30 June 2003 (Unaudited) $
Current	
Trust receipts (a)	633,352
Term loan (b)	91,358
	724,710
Non-current	
Term loan (b)	109,647
TOTAL BORROWINGS	834,357

(a) Trust receipts and other banking facilities

Trust receipts and other banking facilities are secured by way of:

(i) memorandum of deposit for fixed deposits of RM500,000 ($231,149) and $300,000 of a Malaysian and Singapore subsidiary respectively.

(ii) debenture charge for RM3,300,000 ($1,525,588) on the present and future fixed and floating assets of a subsidiary.

(iii) joint and several guarantees by the directors of a subsidiary for RM3,300,000 ($1,525,588).

(iv) personal guarantees of one of the director of a subsidiary amounting to $500,000.

(v) proportionate guarantee by a shareholder of subsidiary up to RM825,000 ($381,397).

(vi) Trust receipts are secured by fixed deposits of RM342,500 ($158,338) which represents 25% of the value of trust receipts as at 30 June 2003. The trust receipts were fully settled on 5 August 2003.

22. BORROWINGS (SECURED) *(cont'd)*

(b) Term loan

Term loan is secured by way of:

(i) memorandum of deposit for RM300,000 ($138,690) which represents 50% of fixed deposit under lien for the first loan disbursement of RM600,000 ($277,380).

(ii) debenture charge created for total term loan approved of RM2,400,000 ($1,109,519) on present and future fixed and floating assets to a subsidiary.

(iii) joint and several guarantees by the directors of a subsidiary of RM2,400,000 ($1,109,519).

(iv) proportionate guarantee by a shareholder of a subsidiary up to RM600,000 ($277,380).

(c) Effective interest rates

The weighted average effective interest rates at the balance sheet date are as follows:

	As at 30 June 2003 (Unaudited) $
Term loan	7.75%
Trust receipts	7.75%

(d) Carrying amounts and fair values

The borrowing rates for long-term bank loan are variable. The directors expect the borrowings rates to be similar to the borrowings rates to be available to the Group at the balance sheet date. The directors are of the opinion that the carrying amounts of the long-term bank loans approximate their fair values.

(e) Maturity of non-current borrowings

Maturity of non-current borrowings is as follows:

	As at 30 June 2003 (Unaudited) $
Between 1 and 2 years	91,358
Between 2 and 5 years	18,289
	109,647

23. DEFERRED TAX

Movement on the Group's deferred tax assets and liabilities during the financial year is as follows:

Deferred tax liabilities/(assets)

	Accelerated tax depreciation	Provisions	Others	Total
	$	$	$	$
At 1 January 2003	364,893	(36,122)	(54,543)	274,228
Charged to Income Statement	—	—	5,096	5,096
Exchange differences	—	—	719	719
At 30 June 2003	364,893	(36,122)	(48,728)	280,043

24. OPERATING LEASE COMMITMENTS

	As at 30 June 2003 (Unaudited)
	$
Within 1 year	555,258
Between 1 and 5 years	104,411
	659,669

25. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks, mainly the effects of change in foreign currency exchange rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out under policies approved by the Board of Directors. The overall risk management covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and liquidity risk is controlled and monitored on a daily basis.

(i) *Foreign exchange risk*

The foreign currency exchange risk arises mainly from the Group's transactions with foreign trade debtors and creditors. The Group monitors the movement in foreign currency exchange rates closely to ensure their exposure are minimised.

In addition, the Group has investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. Currency exposure to the net assets of the Group's overseas subsidiaries is managed primarily through borrowings denominated in the relevant foreign currencies.

25. FINANCIAL RISK MANAGEMENT *(cont'd)*

(ii) *Interest rate risk*

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets or liabilities other than fixed deposits and bank term loans.

(iii) *Credit risk*

The Group's business is not exposed to any significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

(iv) *Liquidity risk*

The operations of the Group are cash generative. For reasons of prudence, the Group maintains sufficient cash and committed credit lines with banks to ensure availability of sufficient funding. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

26. NET FAIR VALUES

The carrying amounts of the following financial assets and liabilities approximate their fair value: cash, trade and other receivables, trade and other payables and current borrowings. Information on the fair value of long-term bank loan is set out in note 22.

27. RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in the interim proforma financial statements, the following significant transactions between the Group and related parties took place during the financial year on terms agreed between the parties concerned;

	Six-months ended 30 June	
	2002 (Unaudited)	**2003 (Unaudited)**
	$	**$**
Rental and maintenance fees charged to a company in which a director has an interest	40,500	40,500
Rental and maintenance fees charged to a company in which a shareholder has an interest	40,500	40,500
Rental and maintenance fees charged by a fellow subsidiary company	—	112,263
Rental and maintenance fees charged by a company in which director has an interest	—	13,172

28. STATEMENT OF ADJUSTMENTS

In preparing the interim proforma financial statements, the following adjustments have been made to the interim management accounts of the companies in the Group for the six-months ended 30 June 2002 and 2003:

	Six-months ended 30 June	
	2002 (Unaudited) $	2003 (Unaudited) $
Sales		
Sales from summation of financial statements	13,709,918	15,297,831
Elimination of intercompany sales within the Group	(2,950,798)	(2,512,640)
Adjusted sales as stated in the Interim Proforma Income Statement	10,759,120	12,785,191
Profit before tax		
Profit before tax from summation of financial statements	3,331,837	3,731,704
Elimination of unrealised profits in inventories within the Group	(125,650)	(112,624)
Realisation of last year's unrealised profit in inventories within the Group and intercompany transactions	—	133,727
Recognition of unrealised foreign exchange loss arising on elimination of intercompany balances	—	(72,764)
Adjusted profit before tax as stated in the Interim Proforma Income Statement	3,206,187	3,680,043
Tax		
Tax from summation of financial statements	370,795	249,545
Deferred tax on unrealised profit on inventories within the Group	(31,413)	(27,593)
Reversal of deferred tax on previously unrealised profit on inventories	—	32,689
Adjusted tax as stated in the Interim Proforma Income Statement	339,382	254,641

28. STATEMENT OF ADJUSTMENTS *(cont'd)*

	As at 30 June 2003 (Unaudited) $
Total assets	
Total assets from summation of financial statements	34,128,266
Elimination of intercompany balances within the Group	(5,589,104)
Adjusted total assets as stated in the Interim Proforma Balance Sheet	28,539,162
Total liabilities	
Total liabilities from summation of financial statements	11,444,660
Elimination of intercompany balances within the Group	(5,403,717)
Deferred tax liability on unrealised profit on inventories within the Group	(27,593)
Adjusted total liabilities as stated in the Interim Proforma Balance Sheet	6,013,350

29. DIVIDENDS

The Company has not declared any dividends during the six months ended 30 June 2003.

The Directors of Unified Communications Pte Ltd proposed a final dividend of 15.60 cents per share amounting to $156,000, net of income tax at 22%, in respect of the financial year ended 31 December 2002.

The Directors of Unified Communications Sdn Bhd proposed a final dividend of RM0.144 (6.63 Cents) per share amounting to RM144,029 ($66,585), net of income tax at 28% in respect of the financial year ended 31 December 2002.

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UNIFIED COMMUNICATIONS HOLDINGS PTE. LTD.

(Incorporated in Singapore)

FINANCIAL STATEMENTS

For the financial period from 27 December 2002 (date of incorporation) to 31 December 2002

The audited financial statements of Unified Communications Holdings Pte. Ltd. for the financial period from 27 December 2002 (date of incorporation) to 31 December 2002 have been reproduced for the purposes of inclusion in the Prospectus, and are set out in the Appendix B to the Prospectus. These financial statements were not prepared for purposes of inclusion in the Prospectus.

The page references in the auditors' report for the financial period from 27 December 2002 (date of incorporation) to 31 December 2002 set out on page B-6 of the Prospectus refer to the audited financial statements issued, which have been reproduced and are set out on pages B-7 to B-11.

UNIFIED COMMUNICATIONS HOLDINGS PTE. LTD.

DIRECTORS' REPORT

For the financial period from 27 December 2002 (date of incorporation) to 31 December 2002

The directors present their report to the members together with the audited financial statements of the Company for the financial period from 27 December 2002 (date of incorporation) to 31 December 2002.

Directors

The directors of the Company at the date of this report are:

Wong Tze Leng	(appointed on 27 December 2002)
Ho Ting Sai	(appointed on 27 December 2002)

Principal activity

The intended principal activity of the Company is that of an investment holding company. However, since the date of incorporation, the Company has not commenced its activity.

Results for the financial period

The Company made a loss of $630 for the current financial period.

Material transfers to or from reserves and provisions

There were no reserves or provisions at the end of the financial period.

Issue of shares and debentures

The Company was incorporated with an authorised share capital of 1,000,000 ordinary shares of $1 each. On incorporation, the Company issued 2 ordinary shares of $1 each at par for cash to the subscribers.

There were no issue of debentures during the financial period.

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of an acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, the directors' interests in the Company are as follows:

	Holdings registered in name of director	
The Company (Ordinary shares of S$1)	**At 31.12.2002**	**At date of incorporation**
Wong Tze Leng	1	1
Ho Ting Sai	1	1

DIRECTORS' REPORT

For the financial period from 27 December 2002 (date of incorporation) to 31 December 2002

Dividends

No dividends have been paid, declared or proposed since the date of incorporation.

Bad and doubtful debts

The Company has no debts at the end of financial period.

Current assets

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that any current assets will realise their book values in the ordinary course of business.

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report, which would render the values attributed to current assets in the financial statements misleading.

Charges and contingent liabilities

At the date of this report, no charges have arisen since the end of the financial period on the assets of the Company which secure the liability of any other person, nor have any contingent liability arisen since the end of the financial period.

Ability to meet obligations

No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

Other circumstances affecting the financial statements

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Company misleading.

Unusual items

In the opinion of the directors, the results of the operations during the financial period from 27 December 2002 (date of incorporation) to 31 December 2002 have not been substantially affected by any item, transaction or event of a material and unusual nature.

Unusual items after the financial period

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which would affect substantially the results of the operations of the Company for the financial period in which this report is made.

DIRECTORS' REPORT

For the financial period from 27 December 2002 (date of incorporation) to 31 December 2002

Directors' contractual benefits

Since the date of incorporation, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share options

There were no options granted during the financial period to subscribe for unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial period.

Auditors

The auditors, PricewaterhouseCoopers have expressed their willingness to accept re-appointment.

WONG TZE LENG Director	HO TING SAI Director

7 May 2003

UNIFIED COMMUNICATIONS HOLDINGS PTE. LTD.

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages B-7 to B-11 are drawn up so as to give a true and fair view of the state of affairs of the Company at 31 December 2002, and the results of the business and the changes in equity of the Company for the financial period from 27 December 2002 (date of incorporation) to 31 December 2002, and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

WONG TZE LENG	HO TING SAI
Director	Director

7 May 2003

UNIFIED COMMUNICATIONS HOLDINGS PTE. LTD.

AUDITORS' REPORT TO THE MEMBERS OF UNIFIED COMMUNICATIONS HOLDINGS PTE. LTD.

We have audited the financial statements of Unified Communications Holdings Pte. Ltd. for the financial period from 27 December 2002 (date of incorporation) to 31 December 2002 set out on pages B-7 to B-11. These financial statements are the responsibility of the directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act (''Act'') and Singapore Statements of Accounting Standard and so as to give a true and fair view of:

 (i) the state of affairs of the Company at 31 December 2002 and its loss and changes in equity for the financial period ended on that date; and

 (ii) the other matters required by section 201 of the Act to be dealt with in the financial statements; and

(b) the accounting and other records, and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers
Certified Public Accountants

Singapore, 7 May 2003

UNIFIED COMMUNICATIONS HOLDINGS PTE. LTD.

INCOME STATEMENT

For the financial period from 27 December 2002 (date of incorporation) to 31 December 2002

	Note	$
Revenue		**—**
Administrative expenses		**630**
Loss before tax	3	**630**

UNIFIED COMMUNICATIONS HOLDINGS PTE. LTD.

BALANCE SHEET

As at 31 December 2002

	Note	$
Current asset		
Cash balance		**2**
Current liability		
Amount due to a related party	4	**630**
Net liabilities		**(628)**
Shareholders' equity		
Share capital		**2**
Accumulated loss		**(630)**
		(628)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the financial period from 27 December 2002 (date of incorporation) to 31 December 2002

	Note	Share capital $	Accumulated loss $	Total $
Balance at 27 December 2002 (date of incorporation)		—	—	—
Issue of ordinary shares	5	2	—	2
Loss for the financial period — total recognised losses for the financial period		—	(630)	(630)
Balance at 31 December 2002		2	(630)	(628)

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 27 December 2002 (date of incorporation) to 31 December 2002

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The Company is domiciled and incorporated in Singapore. The address of the Company's registered office is 390 Havelock Road, #04-06 King's Centre, Singapore 169662.

The intended principal activity of the Company is that of an investment holding company. However, since the date of incorporation, the Company has not commenced its activity.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared in accordance with and comply with Singapore Statements of Accounting Standards. The financial statements are prepared under the historical cost convention. The financial statements are expressed in Singapore dollars.

(b) Taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3. LOSS BEFORE TAX

Auditor's remuneration of $500 is borne by a related party.

4. AMOUNT DUE TO A RELATED PARTY

The amount due to a related party is unsecured, interest-free and has no fixed terms of repayment.

Related party refers to a company with common director/shareholder.

5. SHARE CAPITAL

Authorised and issued ordinary share capital

The authorised number of ordinary shares is 1,000,000 ordinary shares with a par value of $1 per share.

On incorporation, the Company issued 2 ordinary shares with a par value of $1 per share for cash.

The issued ordinary share capital at 31 December 2002 is $2 representing 2 ordinary shares with a par value of $1 per share.

6. FINANCIAL RISK MANAGEMENT

The Company is currently dormant and is not exposed to any financial risk other than liquidity risk. The Company's shareholder/director has undertaken to bear all of Company's expenses as and when they arise till the Company commences operations.

7. FAIR VALUE

The Company is dormant and therefore has no financial assets and financial liabilities other than cash amounting to $2.

8. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the directors on 7 May 2003.

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UNIFIED COMMUNICATIONS PTE LTD

(Incorporated in Singapore)

FINANCIAL STATEMENTS

For the financial period from 1 October 1999 to 31 December 2000

The audited financial statements of Unified Communications Pte Ltd for the financial period from 1 October 1999 to 31 December 2000 have been reproduced for the purposes of inclusion in the Prospectus, and are set out in the Appendix C to the Prospectus. These financial statements were not prepared for purposes of inclusion in the Prospectus.

The page references in the auditors' report for the financial period from 1 October 1999 to 31 December 2000 set out on page C-6 of the Prospectus refer to the audited financial statements issued, which have been reproduced and are set out on pages C-7 to C-18.

UNIFIED COMMUNICATIONS PTE LTD

DIRECTORS' REPORT

For the financial period from 1 October 1999 to 31 December 2000

The directors present their report to the members together with the audited financial statements for the financial period from 1 October 1999 to 31 December 2000.

Directors

The directors at the date of this report are:

Wong Tze Leng

Lum Weng Loy (appointed on 18 April 2001)

Principal activities

The principal activities of the Company consists of design and development of telecommunication software, and trading of telecommunication products.

There have been no significant changes in the nature of these activities during the financial period.

Results for the financial period

The Company made a net profit of $1,232,432 for the current financial period (1999: net profit of $33,938).

Material transfers to or from reserves and provisions

There were no reserves other than retained profits at the end of the financial period. Material movements in provisions are set out in notes to the financial statements.

Issue of shares and debentures

On 1 August 2000, the issued ordinary share capital was increased from $2 to $60,000 by the issue of 59,998 ordinary shares of $1 each at par via capitalisation of amount owing to a director, to provide additional working capital. The newly issued shares rank *pari passu* in all respects with the previously issued shares.

There were no issues of debentures during the financial period.

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

UNIFIED COMMUNICATIONS PTE LTD

DIRECTORS' REPORT

For the financial period from 1 October 1999 to 31 December 2000

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial period had any interest in the share capital of the Company and related companies, except as follows:

	Holdings registered in the name of a director	
	At 31.12.00	**At 1.1.00**
The Company (Ordinary shares of $1)		
Wong Tze Leng	59,999	1
Wong Peck Lai (resigned on 18 April 2001)	1	1

(b) None of the directors holding office at 31 December 2000 had any interest in the shares in, or debentures of, any related corporation.

Dividends

No dividends have been paid, declared and recommended since the end of the preceding financial period.

Bad and doubtful debts

Before the financial statements were made out, the directors took reasonable steps to ascertain the action taken in relation to the writing off of bad debts and providing for doubtful debts. The directors have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render any amounts written off for bad debts or provided for doubtful debts inadequate to any substantial extent.

Current assets

Before the financial statements were made out, the directors took reasonable steps to ascertain that current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or that adequate provisions have been made for the diminution in values of such current assets.

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report, which would render the values attributed to current assets in the financial statements misleading.

Charges on assets and contingent liabilities

At the date of this report, no charges have arisen since the end of the financial period on the assets of the Company which secure the liability of any other person, nor have any contingent liability arisen since the end of the financial period.

DIRECTORS' REPORT

For the financial period from 1 October 1999 to 31 December 2000

Ability to meet obligations

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

Other circumstances affecting the financial statements

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Unusual items

In the opinion of the directors, the results of the operations during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

Unusual items after the financial period

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which would affect substantially the results of the operations of the Company for the financial period in which this report is made.

Directors' contractual benefits

Since the end of the previous financial period, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share options

There were no options granted during the financial period to subscribe for unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial period.

Auditors

The auditors, PricewaterhouseCoopers have expressed their willingness to accept re-appointment.

WONG TZE LENG Director	LUM WENG LOY Director

24 May 2001

UNIFIED COMMUNICATIONS PTE LTD

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages C-7 to C-18 are drawn up so as to give a true and fair view of the state of affairs of the Company at 31 December 2000, the results of the business, the changes in equity, and the cash flows for the financial period from 1 October 1999 to 31 December 2000, and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

WONG TZE LENG
Director

LUM WENG LOY
Director

24 May 2001

UNIFIED COMMUNICATIONS PTE LTD

AUDITORS' REPORT TO THE MEMBERS OF UNIFIED COMMUNICATIONS PTE LTD

We have audited the financial statements of Unified Communications Pte Ltd for the financial period from 1 October 1999 to 31 December 2000 set out on pages C-7 to C-18. These financial statements are the responsibility of the directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act (''Act'') and Singapore Statements of Accounting Standard and so as to give a true and fair view of:

    (i) the state of affairs of the Company at 31 December 2000, its profit, changes in equity, and cash flows for the financial period ended on that date; and

    (ii) the other matters required by section 201 of the Act to be dealt with in the financial statements; and

(b) the accounting and other records, and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers
Certified Public Accountants

Singapore, 24 May 2001

UNIFIED COMMUNICATIONS PTE LTD

INCOME STATEMENT

For the financial period from 1 October 1999 to 31 December 2000

	Notes	**Period from 1 October 1999 to 31 December 2000**	Period from 28 May 1998 to 30 September 1999
		$	$
Sales	3	**11,963,946**	4,236,277
Cost of sales		**(9,353,702)**	(3,862,753)
Gross profit		**2,610,244**	373,524
Other operating income	3	**4,356**	602
Distribution costs		**(344,643)**	(175,376)
Administrative expenses		**(614,164)**	(161,346)
Operating profit	4	**1,655,793**	37,404
Finance income — interest from bank		**1,639**	310
Finance costs	5	**—**	(3,776)
Profit before tax		**1,657,432**	33,938
Tax	7	**(425,000)**	—
Net profit		**1,232,432**	33,938

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-6.

UNIFIED COMMUNICATIONS PTE LTD

BALANCE SHEET

As at 31 December 2000

	Notes	2000	1999
		$	$
Current assets			
Cash and bank balances		**243,621**	73,311
Trade debtors	8	**2,504,955**	991,525
Inventories	9	**2,028,352**	247,482
Other current assets	10	**76,093**	27,123
Amounts owing by related parties (Trade)		**—**	348,514
Amounts owing by related parties (Non-trade)	11	**6,224**	42,565
		4,859,245	1,730,520
Non-current asset			
Fixed assets	12	**776,935**	165,128
Total assets		**5,636,180**	1,895,648
Current liabilities			
Excess of progress billings over contract costs plus profits	13	**392,275**	—
Trade and other payables	14	**3,078,402**	1,583,542
Current tax	7	**400,000**	—
Amounts owing to related parties (Trade)		**86,758**	—
Amounts owing to related parties (Non-trade)	11	**24,622**	35,278
Provision	15	**215,420**	—
Amount owing to a director	11	**87,333**	86,612
Loan creditors — unsecured		**—**	156,276
		4,284,810	1,861,708
Non-current liability			
Deferred taxation	7	**25,000**	—
Total liabilities		**4,309,810**	1,861,708
Net assets		**1,326,370**	33,940
Shareholders' equity			
Share capital	16	**60,000**	2
Retained profits		**1,266,370**	33,938
		1,326,370	33,940

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-6.

UNIFIED COMMUNICATIONS PTE LTD

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the financial period from 1 October 1999 to 31 December 2000

	Note	Share Capital $	Retained Profits $	Total $
Balance at 1 October 1999		2	33,938	33,940
Net profit for the financial period		—	1,232,432	1,232,432
Total recognised gains for the financial period		**—**	**1,232,432**	**1,232,432**
Issue of ordinary shares	16	59,998	—	59,998
Balance at 31 December 2000		60,000	1,266,370	1,326,370
Balance at 28 May 1998		—	—	—
Net profit for the financial period		—	33,938	33,938
Total recognised gains for the financial period		**—**	**33,938**	**33,938**
Issue of ordinary shares	16	2	—	2
Balance at 30 September 1999		2	33,938	33,940

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-6.

UNIFIED COMMUNICATIONS PTE LTD

CASH FLOW STATEMENT

For the financial period from 1 October 1999 to 31 December 2000

	2000	1999
	$	$
Cash flows from operating activities		
Profit before tax	**1,657,432**	33,938
Adjustments for:		
Depreciation	**132,685**	43,430
Interest income	**(1,639)**	(310)
Interest expense	**—**	3,776
Operating cash flow before working capital change	**1,788,478**	80,834
Change in operating assets and liabilities		
Trade debtors	**(1,513,430)**	(991,525)
Inventories	**(1,780,870)**	(247,482)
Other current assets	**(48,970)**	(27,123)
Excess of progress billings over contract cash plus profits	**392,275**	—
Accounts payable	**1,710,280**	1,583,542
Amounts owing by/to related parties	**460,957**	(355,801)
Cash generated from operations	**1,008,720**	42,445
Interest paid	**—**	(3,776)
Net cash from operating activities	**1,008,720**	38,669
Cash flows from investing activities		
Payments for fixed assets	**(744,492)**	(208,558)
Interest received	**1,639**	310
Net cash outflow from investing activities	**(742,853)**	(208,248)
Cash flows from financing activities		
Issue of ordinary shares	**59,998**	2
Repayment of loans from creditors	**(156,276)**	—
Loans from creditors	**—**	156,276
Loan from a director	**721**	86,612
Net cash (outflow)/inflow from financing activities	**(95,557)**	242,890
Net increase in cash and bank balances held	**170,310**	73,311
Cash and bank balances at the beginning of the financial period	**73,311**	—
Cash and bank balances at the end of the financial period	**243,621**	73,311

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-6.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 October 1999 to 31 December 2000

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The Company is domiciled and incorporated in Singapore. The address of the Company's registered office is:

390 Havelock Road
#04-06 King's Centre
Singapore 169662

The principal activities of the Company consists of design and development of telecommunication software, and trading of telecommunication products.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared in accordance with and comply with Singapore Statements of Accounting Standards. The financial statements are prepared under the historical cost convention and are expressed in Singapore Dollars.

(b) Foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at period-end exchange rates unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used.

(c) Revenue recognition

Revenue from sale of goods is recognised upon passage of title to the customers which generally coincides with their delivery and acceptance.

Revenue and profit from contracts are recognised on an individual contract basis using the percentage of completion method, when the stage of contract completion can be reliably determined, costs to date can be clearly identified, and the total contract revenue to be received and costs to complete can be reliably estimated.

The percentage of completion is estimated by the Company's management with reference to the stage of completion of the work as accepted by the customer.

Where it is probable that a loss will arise from a contract, the excess of total estimated costs over revenue is recognised as an expense immediately.

Revenue from maintenance contracts is recognised on a straight line basis over the period of the respective contracts.

Revenue from the rendering of services is recognised on an accrual basis.

Interest income is accrued on a day-to-day basis.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(d) Taxation

Tax expense is determined on the basis of tax effect accounting using the liability method. Deferred taxation is provided on significant timing differences arising from the different treatments in accounting and taxation of relevant items.

In accounting for timing differences, deferred tax assets are not recognised unless there is reasonable expectation of their realisation.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of bank overdrafts.

(f) Trade debtors

Trade debtors are carried at anticipated realisable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at the period end. Bad debts are written off during the financial period in which they are identified.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Provision is made where necessary for obsolete, slow moving and defective inventories.

(h) Contract work-in-progress

Contract work-in-progress is stated at the aggregate of contract costs incurred to date plus profits recognised based on the value of work completed less progress billings and provision for foreseeable losses.

For contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under current liabilities.

Cost includes both variable and fixed costs directly related to specific contracts and those which can be attributed to contract activity in general and which can be allocated to specific contracts. Also included are any costs expected to be incurred under penalty clauses and rectification provisions.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(i) Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

(j) Depreciation of fixed assets

Depreciation is calculated on a straight line basis to write off the cost of fixed assets over their expected useful lives. The estimated useful lives are as follows:

Office equipment & furniture and fixtures	5 years
Telecommunication and Research & development equipment	5 years
Computers	3 years
Renovation	5 years

(k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The Company recognises the estimated liability on all projects still under warranty at the balance sheet date. This provision is calculated based on service histories.

3. REVENUE

	2000	1999
	$	$
Sale of goods	**8,686,466**	3,158,039
Contract revenue	**3,277,480**	1,078,238
	11,963,946	4,236,277
Sundry income	**4,356**	602
	11,968,302	4,236,879

4. OPERATING PROFIT

	2000	1999
	$	$
Operating profit is arrived at after:		
Charging:		
Auditors' remuneration	**15,000**	3,500
Depreciation of fixed assets		
— Office equipment and furniture	**6,260**	3,056
— Telecommunication and Research & development equipment	**111,270**	28,263
— Computers	**7,031**	4,296
— Renovation	**8,124**	7,815
Provision for doubtful trade debts	**105,001**	—
Provision for warranty	**215,420**	—
Office rental expense — Operating leases	**89,682**	38,118
Preliminary expenses written off	**—**	1,300
Net foreign exchange loss	**5,485**	—
Crediting:		
Net foreign exchange gain	**—**	7,252

5. FINANCE COSTS

	2000	1999
	$	$
Interest expense	**—**	3,776
	—	3,776

6. STAFF COSTS

	2000	1999
	$	$
Wages and salaries	**551,035**	178,266
Employer's contribution to Central Provident Fund	**50,818**	17,751
	601,853	196,017

Number of persons employed at the end of financial period:

	2000	1999
Full time	**14**	9

7. TAX

(a) Tax expense

	2000	1999
	$	$
Income tax expense attributable to profit is made up of:		
Current income tax provision — Singapore	400,000	—
Deferred income tax provision	25,000	—
	425,000	—

(b) Composition of deferred taxation

	2000	1999
	$	$
The provision for deferred income tax comprises the estimated expense at current income tax rates on the following items:		
Difference in depreciation of fixed assets for accounting and income tax purposes	24,000	—
Other timing differences	1,000	—
	25,000	—

8. TRADE DEBTORS

	2000	1999
	$	$
Trade debtors	2,609,956	991,525
Less: Provision for doubtful debts	(105,001)	—
	2,504,955	991,525

Provision made during the financial period amounted to $105,001 (1999: Nil).

9. INVENTORIES

	2000	1999
	$	$
Inventories, at cost	1,938,340	247,482
Stocks-in-transit	90,012	—
	2,028,352	247,482

10. OTHER CURRENT ASSETS

	2000	1999
	$	$
Deposits	**60,448**	17,262
Prepayments	**14,139**	5,307
Others	**1,506**	4,554
	76,093	27,123

11. Amounts owing by/to related parties

The related parties refer to companies in which a director of the Company has substantial interests.

Amounts owing by/to related parties are unsecured, interest free and with no fixed terms of repayment.

Amounts owing to a director is unsecured, interest free and with no fixed terms of repayment.

12. FIXED ASSETS

	Office equipment and furniture	**Telecommunication and Research & development equipment**	**Computers**	**Renovation**	**Total**
	$	**$**	**$**	**$**	**$**
Cost					
At 1 October 1999	15,280	141,314	12,890	39,074	208,558
Additions, at cost	16,022	718,719	8,203	1,548	744,492
At 31 December 2000	31,302	860,033	21,093	40,622	953,050
Accumulated depreciation					
At 1 October 1999	3,056	28,263	4,296	7,815	43,430
Depreciation charge	6,260	111,270	7,031	8,124	132,685
At 31 December 2000	9,316	139,533	11,327	15,939	176,115
Net book value					
At 31 December 2000	**21,986**	**720,500**	**9,766**	**24,683**	**776,935**
Net book value					
At 1 October 1999	12,224	113,051	8,594	31,259	165,128

13. EXCESS OF PROGRESS BILLINGS OVER CONTRACT COST PLUS PROFITS

	2000	1999
	$	$
Contract costs incurred plus recognised profit	**2,819,270**	164,580
Progress billings	**(3,211,545)**	(164,580)
	(392,275)	—

14. TRADE AND OTHER PAYABLES

	2000	1999
	$	$
Trade creditors	**2,882,449**	1,516,605
Other creditors	**—**	54,009
Accrued operating expenses	**195,953**	12,928
	3,078,402	1,583,542

15. PROVISION

	2000	1999
	$	$
Warranty provision	**215,420**	—

The provision for warranty made during the financial period amounted to $215,420 (1999: Nil).

16. SHARE CAPITAL

(a) Authorised share capital

The authorised number of ordinary shares is 100,000 shares (1999: 100,000 shares) with a par value of $1 per share (1999: $1 per share).

(b) Issued and fully paid-up ordinary share capital

	2000	1999	**2000**	1999
	Shares	Shares	**$**	$
Balance at the beginning of the financial period	**2**	—	**2**	—
Issued during the financial period	**59,998**	2	**59,998**	2
Balance at the end of the financial period	**60,000**	2	**60,000**	2

On 1 August 2000, the issued share capital was increased to $60,000 by the issue of 59,998 ordinary shares of $1 each at par via capitalisation of amount owing to a director, to provide additional working capital. The newly issued shares rank *pari passu* in all respects with the previously issued shares.

17. COMMITMENTS

(a) Capital commitments

Commitments not provided for in the financial statements:

	2000	1999
	$	$
Expenditure approved and contracted for	**59,000**	—

(b) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are payable as follows:

	2000	1999
	$	$
Not later than one financial year	**239,753**	—
Later than one financial period but not later than five financial years	**523,748**	—

18. RELATED PARTY TRANSACTIONS

During the financial period, significant transactions entered between the Company and related parties on terms agreed between the parties concerned are as follows:

	2000	1999
	$	$
Sales and services rendered	**2,073,539**	348,514
Purchases	**989,748**	358,726

19. COMPARATIVES

Certain comparative figures have been reclassified to conform with the current financial period's presentation. In particular, the comparatives have been adjusted or extended to take into account the requirements of the revised Statements of Accounting Standards 1 — Presentation of Financial Statements which the Company implemented in 2000.

The operating profit is not affected by the adoption of the above standard in these financial statements as the Company was already following the recognition and measurement principles in the standard.

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARY

(Incorporated in Singapore)

FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

The audited financial statements of Unified Communications Pte Ltd for the financial year ended 31 December 2001 have been reproduced for the purposes of inclusion in the Prospectus, and are set out in the Appendix C to the Prospectus. These financial statements were not prepared for purposes of inclusion in the Prospectus.

The page references in the auditors' report for the financial year ended 31 December 2001 set out on page C-25 of the Prospectus refer to the audited financial statements issued, which have been reproduced and are set out on pages C-26 to C-43.

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARY

DIRECTORS' REPORT

For the financial year ended 31 December 2001

The directors present their report to the members together with the audited financial statements of the Company and the Group for the financial year ended 31 December 2001.

Directors

The directors at the date of this report are:

Wong Tze Leng

Lum Weng Loy

Principal activities

The principal activities of the Company consists of design and development of telecommunication software, and trading of telecommunication products.

The principal activity of the subsidiary is that of an investment holding company.

There have been no significant changes in the nature of these activities during the financial year.

Results for the financial period

The consolidated profit after tax attributable to the members of the Company for the financial year was $1,849,600. The Company made a net profit after tax of $1,849,600 for the current financial year.

Material transfers to or from reserves and provisions

There were no reserves other than retained profits at the end of the financial year. Material movements in provisions are set out in notes to the financial statements.

Acquisition and disposal of a subsidiary

During the financial year, the Company acquired 100% share capital of Unified Communications China Pte Ltd (previously known as Localessence Pte Ltd) for a cash consideration of $2. The share of the net tangible assets of the subsidiary acquired was $2 at the acquisition date.

There were no other acquisitions or disposals of interests in a subsidiary during the financial year.

Issue of shares and debentures

During the financial year the Company increased its issued ordinary share capital from $60,000 to $1,000,000 by the issue of 940,000 ordinary shares of $1 each by way of a bonus issue on the basis of 47 bonus shares for every three existing shares of $1 each held in the capital of the Company. The newly issued shares rank *pari passu* in all respects with the previously issued shares.

There were no other issues of shares or debentures by any corporation in the Group during the financial year.

DIRECTORS' REPORT

For the financial year ended 31 December 2001

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the share capital or debentures of the Company and related companies, except as follows:

	Holdings registered in the name of a director	
	At 31.12.01	**At 1.1.01**
The Company (Ordinary shares of $1)		
Wong Tze Leng	749,983	59,999

Dividends

No dividends have been paid, declared and recommended since the end of the Company's preceding financial year.

Bad and doubtful debts

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain the action taken in relation to the writing off of bad debts and providing for doubtful debts of the Company and have satisfied themselves that all known bad debts of the Company have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render any amounts written off for bad debts or provided for doubtful debts in the Group inadequate to any substantial extent.

Current assets

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or that adequate provisions have been made for the diminution in values of such current assets.

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report, which would render the values attributed to current assets in the consolidated financial statements misleading.

DIRECTORS' REPORT

For the financial year ended 31 December 2001

Charges on assets and contingent liabilities

At the date of this report, no charges have arisen since the end of the financial year on the assets of the Company or its subsidiary which secure the liability of any other person, nor have any contingent liability arisen since the end of the financial year in the Company or its subsidiary.

Ability to meet obligations

No contingent or other liability of the Company or its subsidiary has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company and the Group to meet its obligations as and when they fall due.

Other circumstances affecting the financial statements

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Company and the consolidated financial statements misleading.

Unusual items

In the opinion of the directors, the results of the operations of the Company and the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Unusual items after the financial year

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made other than disclosed under note 21 of the financial statements.

Directors' contractual benefits

Since the end of the previous financial period, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary.

There were no unissued shares of the Company or its subsidiary under option at the end of the financial year.

DIRECTORS' REPORT

For the financial year ended 31 December 2001

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment.

WONG TZE LENG Director	LUM WENG LOY Director

26 June 2002

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARY

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages C-26 to C-43 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group at 31 December 2001 and of the results of the business, the changes in equity, of the Company and of the Group and the cash flows of the Group for the financial year then ended, and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

WONG TZE LENG
Director

LUM WENG LOY
Director

26 June 2002

AUDITORS' REPORT TO THE MEMBERS OF UNIFIED COMMUNICATIONS PTE LTD

We have audited the financial statements of Unified Communications Pte Ltd and the consolidated financial statements of the Group for the financial year ended 31 December 2001 set out on pages C-26 to C-43. These financial statements are the responsibility of the directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the accompanying financial statements of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act (''Act'') and Singapore Statements of Accounting Standard and so as to give a true and fair view of:

   (i) the state of affairs of the Company and of the Group at 31 December 2001, the results and changes in equity of the Company and of the Group, and the cash flows of the Group for the financial year ended on that date; and

   (ii) the other matters required by section 201 of the Act to be dealt with in the financial statements of the Company and the consolidated financial statements of the Group; and

(b) the accounting and other records, and the registers required by the Act to be kept by the Company and its subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

PricewaterhouseCoopers
Certified Public Accountants

Singapore, 26 June 2002

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARY

INCOME STATEMENTS

For the financial year ended 31 December 2001

	Notes	The Group	The Company	
		2001	Year ended 31 December 2001	Period from 1 October 1999 to 31 December 2000
		$	$	$
Sales	3	**20,780,610**	**20,780,610**	11,963,946
Cost of sales		**(15,168,875)**	**(15,168,875)**	(9,013,318)
Gross profit		**5,611,735**	**5,611,735**	2,950,628
Other operating income		**3,632**	**3,632**	4,356
Technical support expenses		**(1,010,150)**	**(1,010,150)**	(481,548)
Distribution costs		**(459,903)**	**(459,903)**	(344,643)
Administrative expenses		**(1,512,629)**	**(1,512,629)**	(455,433)
Other operating expense		**(151,294)**	**(151,294)**	(17,567)
Operating profit	4	**2,481,391**	**2,481,391**	1,655,793
Finance income — interest from bank		**4,530**	**4,530**	1,639
Profit before tax		**2,485,921**	**2,485,921**	1,657,432
Tax	6	**(636,321)**	**(636,321)**	(425,000)
Net profit		**1,849,600**	**1,849,600**	1,232,432

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-25.

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARY

BALANCE SHEETS

As at 31 December 2001

	Notes	The Group 2001 $	The Company 2001 $	The Company 2000 $
Current assets				
Cash and bank balances		**1,113,988**	**1,113,986**	243,621
Trade debtors	7	**3,050,023**	**3,050,023**	2,504,955
Contract work-in-progress	8	**146,783**	**146,783**	—
Due from related companies (non-trade)	9	**132,493**	**132,493**	6,224
Inventories	10	**3,656,703**	**3,656,703**	2,028,352
Other current assets	11	**262,334**	**262,334**	76,093
		8,362,324	**8,362,322**	4,859,245
Non-current assets				
Investment in a subsidiary	12	**—**	**2**	—
Fixed assets	13	**1,999,675**	**1,999,675**	776,935
		1,999,675	**1,999,677**	776,935
Total assets		**10,361,999**	**10,361,999**	5,636,180
Current liabilities				
Excess of progress billings over contract costs plus profits	14	**517,872**	**517,872**	392,275
Trade and other payables	15	**2,814,876**	**2,814,876**	3,078,402
Current tax	6	**393,675**	**393,675**	400,000
Due to a related company (trade)		**2,356,042**	**2,356,042**	86,758
Due to related companies (non-trade)	9	**22,622**	**22,622**	24,622
Warranty provision	16	**151,905**	**151,905**	215,420
Due to a director	9	**629,037**	**629,037**	87,333
		6,886,029	**6,886,029**	4,284,810
Non-current liability				
Deferred taxation	6	**300,000**	**300,000**	25,000
Total liabilities		**7,186,029**	**7,186,029**	4,309,810
Net assets		**3,175,970**	**3,175,970**	1,326,370
Shareholders' equity				
Share capital	17	**1,000,000**	**1,000,000**	60,000
Retained profits		**2,175,970**	**2,175,970**	1,266,370
		3,175,970	**3,175,970**	1,326,370

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-25.

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2001

	Notes	Share Capital $	Retained Profits $	Total $
Balance at 1 January 2001		60,000	1,266,370	1,326,370
Net profit for the financial year		—	1,849,600	1,849,600
Total recognised gains for the financial year		**—**	**1,849,600**	**1,849,600**
Issue of bonus shares	17	940,000	(940,000)	—
Balance at 31 December 2001		**1,000,000**	**2,175,970**	**3,175,970**

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-25.

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN EQUITY — COMPANY

For the financial year ended 31 December 2001

	Notes	Share Capital $	Retained Profits $	Total $
Balance at 1 January 2001		60,000	1,266,370	1,326,370
Net profit for the financial year		—	1,849,600	1,849,600
Total recognised gains for the financial year		**—**	**1,849,600**	**1,849,600**
Issue of bonus shares	17	940,000	(940,000)	—
Balance at 31 December 2001		**1,000,000**	**2,175,970**	**3,175,970**
Balance at 1 October 1999		2	33,938	33,940
Net profit for the financial period		—	1,232,432	1,232,432
Total recognised gains for the financial period		**—**	**1,232,432**	**1,232,432**
Issue of ordinary shares	17	59,998	—	59,998
Balance at 31 December 2000		**60,000**	**1,266,370**	**1,326,370**

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-25.

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARY

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2001

	The Group	The Company*
		Period from 1 October 1999 to
	2001	31 December 2000
	$	$
Cash flows from operating activities		
Profit before tax	**2,485,921**	1,657,432
Adjustments for:		
Depreciation	**333,803**	132,685
Write-off of fixed assets	**98,872**	—
Loss on disposal of fixed assets	**3,791**	—
Interest income	**(4,530)**	(1,639)
Operating cash flow before working capital change	**2,917,857**	1,788,478
Change in operating assets and liabilities		
Trade debtors	**(545,068)**	(1,513,430)
Contract work-in-progress	**(146,783)**	—
Inventories	**(1,586,942)**	(1,780,870)
Other current assets	**(186,241)**	(48,970)
Excess of progress billings over contract costs plus profits	**125,597**	392,275
Trade and other payables	**(327,041)**	1,710,280
Related companies	**2,141,015**	460,957
	2,392,394	1,008,720
Income tax rebate	**31,429**	—
Income tax paid	**(399,075)**	—
Net cash from operating activities	**2,024,748**	1,008,720
Cash flows from investing activities		
Payments for fixed assets	**(1,718,940)**	(744,492)
Proceeds from sale of fixed assets	**18,325**	—
Interest received	**4,530**	1,639
Net cash outflow from investing activities	**(1,696,085)**	(742,853)
Cash flow from financing activity		
Issue of ordinary shares	**—**	59,998
Repayment of loans from creditors	**—**	(156,276)
Loan from a director	**541,704**	721
Net cash inflow/(outflow) from financing activity	**541,704**	(95,557)
Net increase in cash and bank balances held	**870,367**	170,310
Cash and bank balances at the beginning of the financial year	**243,621**	73,311
Cash and bank balances at the end of the financial year	**1,113,988**	243,621

* There is no Group cash flow statement for the financial period ended 31 December 2000 as the Company had no subsidiary then.

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-25.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The Company is domiciled and incorporated in Singapore. The address of the Company's registered office is 390 Havelock Road, #04-06 King's Centre, Singapore 169662.

The principal activities of the Company consists of design and development of telecommunication software, and trading of telecommunication products.

The principal activity of the subsidiary is that of an investment holding company.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared in accordance with and comply with Singapore Statements of Accounting Standard.

The financial statements are prepared under the historical cost convention.

The financial statements are expressed in Singapore Dollars.

In 2001, the Group adopted the following standards:

SAS 8 (Revised 2000)	Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies
SAS 10 (Revised 2000)	Events Occurring after the Balance Sheet Date
SAS 17 (Revised 2000)	Employee Benefits
SAS 31	Provisions, Contingent Liabilities and Contingent Assets
SAS 32	Financial Instruments — Disclosure and Presentation
SAS 34	Intangible Assets
SAS 36	Impairment of Assets

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. The results of subsidiaries acquired or disposed of during the financial year are included in or excluded from the consolidated income statement from the date of their acquisition or disposal. Intercompany balances and transactions and resulting unrealised profits are eliminated in full on consolidation. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(c) Foreign currencies

Transactions in foreign currencies during the financial year are converted to Singapore dollars at the rates of exchange prevailing on the transaction dates. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the balance sheet date. Exchange differences arising are taken to the income statements.

(d) Revenue recognition

Revenue from sale of goods is recognised upon passage of title to the customers which generally coincides with their delivery and acceptance.

Revenue and profit from contracts are recognised on an individual contract basis using the percentage of completion method, when the stage of contract completion can be reliably determined, costs to date can be clearly identified, and the total contract revenue to be received and costs to complete can be reliably estimated.

The percentage of completion is estimated by the Company's management with reference to the stage of completion of the work as accepted by the customer.

Where it is probable that a loss will arise from a contract, the excess of total estimated costs over revenue is recognised as an expense immediately.

Revenue from maintenance contracts is recognised on a straight line basis over the period of the respective contracts.

Revenue from the rendering of services is recognised on an accrual basis.

Interest income is accrued on a day-to-day basis.

(e) Taxation

Tax expense is determined on the basis of tax effect accounting using the liability method. Deferred taxation is provided on significant timing differences arising from the different treatments in accounting and taxation of relevant items.

In accounting for timing differences, deferred tax assets are not recognised unless there is reasonable expectation of their realisation.

(f) Trade debtors

Trade debtors are carried at original invoice less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off during the financial year in which they are identified.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Provision is made where necessary for obsolete, slow moving and defective inventories.

(h) Contract work-in-progress

Contract work-in-progress is stated at the aggregate of contract costs incurred to date plus profits recognised based on the value of work completed less progress billings and provision for foreseeable losses.

For contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under current liabilities.

Cost includes both variable and fixed costs directly related to specific contracts and those which can be attributed to contract activity in general and which can be allocated to specific contracts. Also included are any costs expected to be incurred under penalty clauses and rectification provisions.

(i) Investments in a subsidiary

Investments in a subsidiary intended to be held for the long term are stated in the financial statements at cost less provision. Provision is made, where there is a diminution in the value of investments other than temporary.

Profit and loss on disposal of investments is taken to the income statements.

(j) Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

(k) Depreciation of fixed assets

Depreciation is calculated on a straight line basis to write off the cost of fixed assets over their expected useful lives. The estimated useful lives are as follows:

Office equipment & furniture and fixtures	5 years
Telecommunication and research & development equipment	5 years
Computers	3 years
Renovation	5 years

(l) Accounting for leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of the leased assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(l) Accounting for leases *(cont'd)*

Operating lease payments are charged to the income statements on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(m) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Warranty

The Company recognises the estimated liability on all projects still under warranty at the balance sheet date. This provision is calculated based on service histories.

(n) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave is recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(o) Share capital

Ordinary shares are classified as equity.

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(p) Financial risk management

The Group's activities are exposed to variety of financial risks including the effects of change in foreign currency exchange rates.

The foreign currency exchange risk arises mainly from Group's transactions with foreign trade debtors and creditors. The Group monitors the movement in foreign currency exchange rates closely to ensure their exposures are minimised.

The Group's business is not exposed to any significant concentration of credit risk.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group maintains sufficient cash.

(q) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

3. SALES

	The Group	The Company	
	2001	Year ended 31 December 2001	Period from 1 October 1999 to 31 December 2000
	$	$	$
Sale of goods	**8,019,995**	**8,019,995**	8,686,466
Contract revenue	**12,760,615**	**12,760,615**	3,277,480
	20,780,610	**20,780,610**	11,963,946

4. OPERATING PROFIT

	The Group	The Company	
	2001	Year ended 31 December 2001	Period from 1 October 1999 to 31 December 2000
Operating profit is arrived at after:	$	$	$
Charging:			
Auditors' remuneration	**15,000**	**15,000**	15,000
Directors' remuneration	**50,000**	**50,000**	—
Depreciation of fixed assets			
— Office equipment and furniture	**21,573**	**21,573**	6,260
— Telecommunication and Research & development equipment	**273,074**	**273,074**	111,270
— Computers	**23,098**	**23,098**	7,031
— Renovation	**16,058**	**16,058**	8,124
Provision for doubtful trade debts	**267,258**	**267,258**	105,001
Provision for warranty	**—**	**—**	215,420
Write-off of fixed assets	**98,872**	**98,872**	—
Inventories written off	**152,160**	**152,160**	—
Loss on disposal of fixed assets	**3,791**	**3,791**	—
Operating leases — rent expense	**252,672**	**252,672**	91,918
Net foreign exchange loss	**—**	**—**	5,485
Crediting:			
Net foreign exchange gain	**2,612**	**2,612**	—

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

5. STAFF COSTS

	The Group	The Company	
	2001	Year ended 31 December 2001	Period from 1 October 1999 to 31 December 2000
	$	$	$
Wages and salaries	1,212,876	1,212,876	551,035
Employer's contribution to Central Provident Fund	153,266	153,266	50,818
	1,366,142	1,366,142	601,853

Number of persons employed at the end of financial year:

	The Group	The Company	
	2001	2001	2000
Full time	36	36	14

6. TAX

	The Group	The Company	
	2001	Year ended 31 December 2001	Period from 1 October 1999 to 31 December 2000
	$	$	$
(a) Tax expense			
Income tax expense attributable to profit is made up of:			
Current income tax provision — Singapore	392,750	392,750	400,000
Deferred income tax provision	180,000	180,000	25,000
Under/(over) provision in preceding financial year			
— Current income tax	(31,429)	(31,429)	—
— Deferred tax	95,000	95,000	—
	636,321	636,321	425,000

The income tax expense on the results of the Company and of the Group for the financial year is lower than the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to one off corporation tax rebate, applicable for year of assessment 2002.

6. TAX *(cont'd)*

(b) Movements for provision for income tax

	The Group	The Company	
	2001	2001	2000
	$	$	$
Balance at the beginning of the financial year	**400,000**	**400,000**	—
Income tax paid	**(399,075)**	**(399,075)**	—
Current financial year's income tax expense	**392,750**	**392,750**	400,000
Balance at the end of the financial year	**393,675**	**393,675**	400,000

(c) Composition of deferred taxation

	The Group	The Company	
	2001	2001	2000
	$	$	$
The provision for deferred income tax comprises the estimated expense at current income tax rates on the following items:			
Difference in depreciation of fixed assets for accounting and income tax purposes	**339,045**	**339,045**	24,000
Other timing differences	**(39,045)**	**(39,045)**	1,000
	300,000	**300,000**	25,000

(d) Movements in provision for deferred tax

	The Group	The Company	
	2001	2001	2000
	$	$	$
Balance at the beginning of the financial year	**25,000**	**25,000**	—
Transfer to income statement	**275,000**	**275,000**	25,000
Balance at the end of the financial year	**300,000**	**300,000**	25,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

7. TRADE DEBTORS

	The Group	The Company	
	2001	**2001**	2000
	$	**$**	$
Trade debtors	**3,422,282**	**3,422,282**	2,609,956
Less: Provision for doubtful trade debts	**(372,259)**	**(372,259)**	(105,001)
	3,050,023	**3,050,023**	2,504,955

Movements in provision for doubtful trade debts are as follows:

	The Group	The Company	
	2001	**2001**	2000
	$	**$**	$
Balance at the beginning of the financial year	**105,001**	**105,001**	—
Provision made during the financial year	**267,258**	**267,258**	105,001
Balance at the end of the financial year	**372,259**	**372,259**	105,001

8. CONTRACT WORK-IN-PROGRESS

	The Group	The Company	
	2001	**2001**	2000
	$	**$**	$
Contract costs incurred plus recognised profits	**2,743,064**	**2,743,064**	—
Progress billings	**(2,596,281)**	**(2,596,281)**	—
	146,783	**146,783**	—

9. DUE FROM/TO RELATED COMPANIES (NON-TRADE) AND A DIRECTOR

The related companies refer to companies with common shareholders and directors.

Amounts due from/to related companies are unsecured, interest free and are repayable on demand.

Amounts due to a director is unsecured, interest free and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

10. INVENTORIES

	The Group	The Company	
	2001	**2001**	2000
	$	**$**	$
Inventories, at realisable value	**3,656,703**	**3,656,703**	1,938,340
Stocks-in-transit	**—**	**—**	90,012
	3,656,703	**3,656,703**	2,028,352

11. OTHER CURRENT ASSETS

	The Group	The Company	
	2001	**2001**	2000
	$	**$**	$
Deposits	**225,293**	**225,293**	60,448
Prepayments	**35,687**	**35,687**	14,139
Others	**1,354**	**1,354**	1,506
	262,334	**262,334**	76,093

12. INVESTMENT IN A SUBSIDIARY

Name of subsidiary	Principal activities	Country of incorporation and place of business	Equity interest		Cost of investment	
			2001	2000	**2001**	2000
			%	%	**$**	$
Unified Communications China Pte Ltd (previously known as Localessence Pte Ltd)	Investment holding company	Singapore	**100**	—	**2**	—

Acquisition of a subsidiary

On 29 October 2001, the Company acquired 100% of the share capital of Unified Communications China Pte Ltd (formerly known as Localessence Pte Ltd) for $2. The share of the net tangible assets of the subsidiary acquired was $2 at the acquisition date.

The subsidiary has remained dormant since its incorporation. No separate audited financial statements have been issued since the subsidiary was incorporated on 14 September 2001.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

13. FIXED ASSETS

	Office equipment and furniture	Telecommu-nication and research & development equipment	Computers	Renovation	System work in progress	Total
	$	$	$	$	$	$
The Group						
Cost						
At 1 January 2001	31,302	860,033	21,093	40,622	—	953,050
Additions	97,976	948,097	124,162	90,192	458,513	1,718,940
Write-offs	(11,459)	(79,708)	(2,740)	(39,074)	—	(132,981)
Transfers to inventory	—	(62,114)	—	—	—	(62,114)
Disposals	—	(55,290)	—	—	—	(55,290)
At 31 December 2001	117,819	1,611,018	142,515	91,740	458,513	2,421,605
Accumulated depreciation						
At 1 January 2001	9,316	139,533	11,327	15,939	—	176,115
Charge in Period	21,573	273,074	23,098	16,058	—	333,803
Write-offs	(5,115)	(10,628)	(2,736)	(15,630)	—	(34,109)
Transfers to inventory	—	(20,705)	—	—	—	(20,705)
Disposals	—	(33,174)	—	—	—	(33,174)
At 31 December 2001	25,774	348,100	31,689	16,367	—	421,930
Net book value						
At 31 December 2001	**92,045**	**1,262,918**	**110,826**	**75,373**	**458,513**	**1,999,675**
The Company						
Cost						
At 1 January 2001	31,302	860,033	21,093	40,622	—	953,050
Additions	97,976	948,097	124,162	90,192	458,513	1,718,940
Write-offs	(11,459)	(79,708)	(2,740)	(39,074)	—	(132,981)
Transfers to inventory	—	(62,114)	—	—	—	(62,114)
Disposals	—	(55,290)	—	—	—	(55,290)
At 31 December 2001	117,819	1,611,018	142,515	91,740	458,513	2,421,605
Accumulated depreciation						
At 1 January 2001	9,316	139,533	11,327	15,939	—	176,115
Charge in Period	21,573	273,074	23,098	16,058	—	333,803
Write-offs	(5,115)	(10,628)	(2,736)	(15,630)	—	(34,109)
Transfers to inventory	—	(20,705)	—	—	—	(20,705)
Disposals	—	(33,174)	—	—	—	(33,174)
At 31 December 2001	25,774	348,100	31,689	16,367	—	421,930
Net book value						
At 31 December 2001	**92,045**	**1,262,918**	**110,826**	**75,373**	**458,513**	**1,999,675**
Net book value						
At 1 December 2000	21,986	720,500	9,766	24,683	—	776,935

14. EXCESS OF PROGRESS BILLINGS OVER CONTRACT PLUS PROFITS

	The Group	The Company	
	2001	**2001**	2000
	$	**$**	$
Contract costs incurred plus recognised profits	**—**	**—**	2,819,270
Progress billings	**(517,872)**	**(517,872)**	(3,211,545)
	(517,872)	**(517,872)**	(392,275)

15. TRADE AND OTHER PAYABLES

	The Group	The Company	
	2001	**2001**	2000
	$	**$**	$
Trade creditors	**2,223,420**	**2,223,420**	2,882,449
Accrued operating expenses	**591,456**	**591,456**	195,953
	2,814,876	**2,814,876**	3,078,402

16. WARRANTY PROVISION

	The Group	The Company	
	2001	**2001**	2000
	$	**$**	$
Warranty	**151,905**	**151,905**	215,420

The Company gives one year warranties on certain systems and undertakes to rectify the system that fail to perform satisfactorily. A provision is recognised at the financial year end for expected warranty claims based on past experience of the level of rectification work.

Movements in provision for warranty are as follows:

	The Group	The Company	
	2001	**2001**	2000
	$	**$**	$
Balance at the beginning of the financial year	**215,420**	**215,420**	—
Provision made during the financial year	**—**	**—**	215,420
Utilised during the year	**(63,515)**	**(63,515)**	—
Balance at the end of the financial year	**151,905**	**151,905**	215,420

17. SHARE CAPITAL

(a) Authorised share capital

The authorised number of ordinary shares is 5,000,000 shares (2000: 100,000 shares) with a par value of $1 per share (2000: $1 per share).

On 26 July 2001, the Company increased its authorised share capital from $100,000 to $5,000,000 by creation of 4,900,000 shares of $1 each.

(b) Issued and fully paid-up ordinary share capital

	2001 Shares	2000 Shares	2001 $	2000 $
Balance at the beginning of the financial year	**60,000**	2	**60,000**	2
Issued during the financial year	**940,000**	59,998	**940,000**	59,998
Balance at the end of the financial year	**1,000,000**	60,000	**1,000,000**	60,000

On 26 July 2001, the issued share capital was increased from $60,000 to $1,000,000 by the issue of 940,000 ordinary shares of $1 each at par by way of a bonus issue on the basis of 47 bonus shares for every three existing shares of $1 each held in the capital of the company. The newly issued shares rank *pari passu* in all respects with the previously issued shares.

18. COMMITMENTS

(a) Capital commitments

Commitments not provided for in the financial statements:

	The Group	The Company	
	2001	**2001**	2000
	$	**$**	$
Expenditure approved and contracted for	**458,000**	**458,000**	59,000

(b) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are payable as follows:

	The Group	The Company	
	2001	**2001**	2000
	$	**$**	$
Not later than one financial year	**474,480**	**474,480**	239,753
Later than one financial year but not later than five financial years	**575,982**	**575,982**	523,748

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

19. RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year on terms agreed between the parties concerned:

	The Group and The Company	**The Company**
	2001	Period from 1 October 1999 to 31 December 2000
	$	$
Sales with related parties	**3,151,183**	2,073,539
Purchases with related parties	**5,089,107**	989,748

The Group also incurred expenses on behalf of a related party during the financial year which will be fully reimbursed.

20. NET FAIR VALUES

The carrying amounts of the following financial assets and liabilities approximate their fair value: cash, trade and other receivables, trade and other payables and investment.

21. SUBSEQUENT EVENT

On 21 February 2002, the Company acquired the whole of the issue share capital of Attrix Technology Pte Ltd, a company incorporated in Singapore and engaged Information Technology Software Services, for a cash consideration of $2. The fair value of the net identifiable assets of Attrix Technology Pte Ltd at the date of acquisition was $2.

22. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the directors on 26 June 2002.

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARIES

(Incorporated in Singapore)

FINANCIAL STATEMENTS

For the financial year ended 31 December 2002

The audited financial statements of Unified Communications Pte Ltd for the financial year ended 31 December 2002 have been reproduced for the purposes of inclusion in the Prospectus, and are set out in the Appendix C to the Prospectus. These financial statements were not prepared for purposes of inclusion in the Prospectus.

The page references in the auditors' report for the financial year ended 31 December 2002 set out on page C-50 of the Prospectus refer to the audited financial statements issued, which have been reproduced and are set out on pages C-51 to C-72.

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARIES

DIRECTORS' REPORT

For the financial year ended 31 December 2002

The directors present their report to the members together with the audited financial statements of the Company and the Group for the financial year ended 31 December 2002.

Directors

The directors at the date of this report are:

Wong Tze Leng	
Lum Weng Loy	
Dato' Ahmad Sebi Bakar	(Appointed 5 December 2002)
Lee Su Nie	(Appointed 5 December 2002)

Principal activities

The principal activities of the Company consists of distribution of telecommunication products, design and development of telecommunication solutions, project management, maintenance and support services for telecommunication industry.

The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year except that the Company transferred its business of distribution of telecommunication products to its wholly owned subsidiary.

Results for the financial period

The consolidated profit after tax attributable to the members of the Company for the financial year was $1,851,649. The Company made a net profit after tax of $1,455,057 for the current financial year.

Material transfers to or from reserves and provisions

There were no reserves other than retained profits at the end of the financial year. Material movements in provisions are set out in notes to the financial statements.

Acquisition and disposal of a subsidiaries

During the financial year, the Company acquired 100% share capital of Attrix Technology Pte Ltd, a company incorporated in Singapore, for a cash consideration of $2. The share of the net tangible assets of the subsidiary acquired was $2 at the acquisition date.

During the financial year, the Company acquired 51% share capital of Unified Communications Ltd, a company incorporated in Hong Kong, for a cash consideration of Hong Kong dollars 5,100 ($1,153). The share of the net tangible assets of the subsidiary acquired was HK$5,100 ($1,153) at the acquisition date.

During the financial year, the Company disposed off its 100% shareholding in Unified Communications China Pte Ltd (which owned 100% share capital of You Kang Xin Da Tong Xun Ji Shu (Beijing) You Xian Gong Si) for a sale consideration of $100,000. The net tangible liabilities of Unified Communications China Pte Ltd and its wholly owned subsidiary, You Kang Xin Da Tong Xun Ji Shu (Beijing) You Xian Gong Si, on the date of sale was $210,164.

DIRECTORS' REPORT

For the financial year ended 31 December 2002

Issue of shares and debentures

There were no issues of shares or debentures by any corporation in the Group during the financial year.

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the share capital or debentures of the Company and related companies, except as follows:

	Holdings registered in the name of a director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2002	At 1.1.2002 or date of appointment, if later	At 31.12.2002	At 1.1.2002 or date of appointment, if later
The Company				
(Ordinary shares of $1)				
Wong Tze Leng	49,983	749,983	17	17
Attrix Technology Pte Ltd				
(Ordinary shares of $1)				
Wong Tze Leng	—	1	—	—
Advance Synergy Berhad				
(Ordinary shares of RM1.00)				
Dato' Ahmad Sebi Bakar	15,020,009	15,020,009	27,451,109	27,451,109
(Warrants to subscribe for ordinary shares of RM1.00)				
Dato' Ahmad Sebi Bakar	7,510,005	7,510,005	13,727,000	13,727,000
Unified Communications Sdn Bhd				
(Ordinary shares of RM1.00)				
Wong Tze Leng	49,810	749,950	200	200
AttrixTech Sdn Bhd				
(Ordinary shares of RM1.00)				
Wong Tze Leng	—	1	—	—

DIRECTORS' REPORT

For the financial year ended 31 December 2002

Dividends

Dividend paid, declared or proposed since the end of the Company's preceding financial year is as follows:

	$
A final dividend of 15.6 cents per share, less income tax at 22%, in respect of the financial year ended 31 December 2002 was proposed	156,000

Bad and doubtful debts

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain the action taken in relation to the writing off of bad debts and providing for doubtful debts of the Company and have satisfied themselves that all known bad debts of the Company have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render any amounts written off for bad debts or provided for doubtful debts in the Group inadequate to any substantial extent.

Current assets

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or that adequate provisions have been made for the diminution in values of such current assets.

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report, which would render the values attributed to current assets in the consolidated financial statements misleading.

Charges on assets and contingent liabilities

At the date of this report, no charges have arisen since the end of the financial year on the assets of the Company or its subsidiary which secure the liability of any other person, nor have any contingent liability arisen since the end of the financial year in the Company or its subsidiary.

Ability to meet obligations

No contingent or other liability of the Company or its subsidiary has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company and the Group to meet its obligations as and when they fall due.

Other circumstances affecting the financial statements

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Company and the consolidated financial statements misleading.

DIRECTORS' REPORT

For the financial year ended 31 December 2002

Unusual items

In the opinion of the directors, the results of the operations of the Company and the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Unusual items after the financial year

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made.

Directors' contractual benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of any transaction with companies, in which a Director has a substantial financial interest in the ordinary course of business and certain Directors have received remuneration from related corporations in their capacity as directors/executives of those corporations.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary.

There were no unissued shares of the Company or its subsidiary under option at the end of the financial year.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment.

On behalf of the directors

WONG TZE LENG
Director

LUM WENG LOY
Director

17 April 2003

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages C-51 to C-72 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group at 31 December 2002 and of the results of the business, the changes in equity, of the Company and of the Group and the cash flows of the Group for the financial year then ended, and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

WONG TZE LENG Director	LUM WENG LOY Director

17 April 2003

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARIES

AUDITORS' REPORT TO THE MEMBERS OF
UNIFIED COMMUNICATIONS PTE LTD

We have audited the financial statements of Unified Communications Pte Ltd and the consolidated financial statements of the Group for the financial year ended 31 December 2002 set out on pages C-51 to C-72. These financial statements are the responsibility of the directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the accompanying financial statements of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act (''Act'') and Singapore Statements of Accounting Standard and so as to give a true and fair view of:

   (i) the state of affairs of the Company and of the Group at 31 December 2002, the results and changes in equity of the Company and of the Group, and the cash flows of the Group for the financial year ended on that date; and

   (ii) the other matters required by section 201 of the Act to be dealt with in the financial statements of the Company and the consolidated financial statements of the Group; and

(b) the accounting and other records, and the registers required by the Act to be kept by the Company and its subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subjected to any qualification and in respect of the subsidiary incorporated in Singapore did not include any comment made under Section 207 (3) of the Act.

PricewaterhouseCoopers
Certified Public Accountants

Singapore, 17 April 2003

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARIES

INCOME STATEMENTS

For the financial year ended 31 December 2002

	Notes	The Group 2002 $	The Group 2001 $	The Company 2002 $	The Company 2001 $
Sales	3	**19,949,853**	20,780,610	**17,324,064**	20,780,610
Cost of sales		**(14,426,215)**	(15,168,875)	**(12,624,049)**	(15,168,875)
Gross profit		**5,523,638**	5,611,735	**4,700,015**	5,611,735
Other operating income		**475,127**	3,632	**416,836**	3,632
Technical support expenses		**(1,378,024)**	(1,010,150)	**(1,198,346)**	(1,010,150)
Distribution costs		**(1,134,002)**	(459,903)	**(848,413)**	(459,903)
Administrative expenses		**(1,377,690)**	(1,512,629)	**(1,177,253)**	(1,512,629)
Gain on disposal of subsidiaries	13	**310,164**	—	**—**	—
Other operating expenses		**(62,215)**	(151,294)	**(59,138)**	(151,294)
Operating profit	4	**2,356,998**	2,481,391	**1,833,701**	2,481,391
Finance income — interest from bank		**1,507**	4,530	**1,438**	4,530
Finance costs — Interest to bank		**(9,471)**	—	**(9,290)**	—
Profit before tax		**2,349,034**	2,485,921	**1,825,849**	2,485,921
Tax	6	**(488,792)**	(636,321)	**(370,792)**	(636,321)
Net profit		**1,860,242**	1,849,600	**1,455,057**	1,849,600
Minority interest		**(8,593)**	—	**—**	—
Profit after tax and minority interest		**1,851,649**	1,849,600	**1,455,057**	1,849,600

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-50.

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARIES

BALANCE SHEETS

As at 31 December 2002

		The Group		The Company	
	Notes	**2002**	2001	**2002**	2001
		$	$	**$**	$
Current assets					
Cash and cash equivalents	7	**1,656,324**	1,113,988	**1,372,941**	1,113,986
Trade debtors	8	**6,368,155**	3,050,023	**5,979,108**	3,050,023
Contract work-in-progress	9	**265,296**	146,783	**265,296**	146,783
Due from related companies (trade)		**96,008**	—	**—**	—
Due from related companies (non-trade)	10	**63,632**	132,493	**62,875**	132,493
Due from a subsidiary (trade)		**—**	—	**14,233**	—
Due from a subsidiary (non-trade)		**—**	—	**436,133**	—
Inventories	11	**3,390,394**	4,115,216	**2,317,596**	4,115,216
Other current assets	12	**279,243**	262,334	**270,303**	262,334
		12,119,052	8,820,837	**10,718,485**	8,820,835
Non-current assets					
Investment in subsidiaries	13	**—**	—	**1,155**	2
Fixed assets	14	**1,326,246**	1,541,162	**1,312,433**	1,541,162
		1,326,246	1,541,162	**1,313,588**	1,541,164
Total assets		**13,445,298**	10,361,999	**12,032,073**	10,361,999
Current liabilities					
Excess of progress billings over contract costs plus profits	15	**—**	517,872	**—**	517,872
Trade and other payables	16	**3,031,661**	2,814,876	**2,164,023**	2,814,876
Current tax	6	**529,487**	393,675	**414,637**	393,675
Due to a related company (trade)		**4,465,686**	2,356,042	**4,465,686**	2,356,042
Due to related companies (non-trade)	10	**80,843**	22,622	**79,281**	22,622
Warranty provision	17	**—**	151,905	**—**	151,905
Due to a director	10	**54,185**	629,037	**34,419**	629,037
		8,161,862	6,886,029	**7,158,046**	6,886,029
Non-current liability					
Deferred taxation	6	**246,150**	300,000	**243,000**	300,000
Total liabilities		**8,408,012**	7,186,029	**7,401,046**	7,186,029
Net assets		**5,037,286**	3,175,970	**4,631,027**	3,175,970
Shareholders' equity					
Share capital	18	**1,000,000**	1,000,000	**1,000,000**	1,000,000
Retained profits		**4,027,619**	2,175,970	**3,631,027**	2,175,970
Foreign currency translation reserve		**(33)**	—	**—**	—
Interests of shareholders of the company		**5,027,586**	3,175,970	**4,631,027**	3,175,970
Minority interest		**9,700**	—	**—**	—
		5,037,286	3,175,970	**4,631,027**	3,175,970

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-50.

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2002

	Note	Share capital $	Foreign currency translation reserves $	Retained profits $	Total $
Balance at 1 January 2002		1,000,000	—	2,175,970	3,175,970
Net profit for the financial year		—	—	1,851,649	1,851,649
Total recognised gains for the financial year		—	—	1,851,649	1,851,649
Current year's translation adjustment		—	(33)	—	(33)
Balance at 31 December 2002		1,000,000	(33)	4,027,619	5,027,586
Balance at 1 January 2001		60,000	—	1,266,370	1,326,370
Net profit for the financial year		—	—	1,849,600	1,849,600
Total recognised gains for the financial year		—	—	1,849,600	1,849,600
Issue of bonus shares	18	940,000	—	(940,000)	—
Balance at 31 December 2001		1,000,000	—	2,175,970	3,175,970

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-50.

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY — COMPANY

For the financial year ended 31 December 2002

	Note	Share capital $	Retained profits $	Total $
Balance at 1 January 2002		1,000,000	2,175,970	3,175,970
Net profit for the financial year — total recognised gains for the financial year		—	1,455,057	1,455,057
Balance at 31 December 2002		1,000,000	3,631,027	4,631,027
Balance at 1 January 2001		60,000	1,266,370	1,326,370
Net profit for the financial year		—	1,849,600	1,849,600
Total recognised gains for the financial year		—	1,849,600	1,849,600
Issue of bonus shares	18	940,000	(940,000)	—
Balance at 31 December 2001		1,000,000	2,175,970	3,175,970

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-50.

UNIFIED COMMUNICATIONS PTE LTD
AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2002

	Note	2002	2001
		$	$
Cash flows from operating activities			
Profit before tax		**2,349,034**	2,485,921
Adjustments for:			
Depreciation		**418,055**	333,803
Write-off of fixed assets		**2,015**	98,872
(Gain)/loss on disposal of fixed assets		**(150,170)**	3,791
Interest income		**(1,507)**	(4,530)
Interest expense		**9,471**	—
Operating cash flow before working capital change		**2,626,898**	2,917,857
Change in operating assets and liabilities			
Trade debtors		**(3,318,131)**	(545,068)
Contract work-in-progress		**(118,513)**	(146,783)
Inventories		**738,414**	(2,045,455)
Other current assets		**(16,907)**	(186,241)
Excess of progress billings over contract costs plus profits		**(517,873)**	125,597
Trade and other payables		**64,880**	(327,041)
Related companies		**2,140,718**	2,141,015
Foreign currency translation adjustment		**(30)**	—
		1,599,456	1,933,881
Income tax rebate		**—**	31,429
Income tax paid		**(406,830)**	(399,075)
Interest paid		**(9,471)**	—
Net cash from operating activities		**1,183,155**	1,566,235
Cash flows from investing activities			
Inflow due to purchase of subsidiary, net of cash acquired	13	**1,107**	—
Payments for fixed assets		**(280,798)**	(1,260,427)
Proceeds from sale of fixed assets		**212,219**	18,325
Interest received		**1,507**	4,530
Net cash outflow from investing activities		**(65,965)**	(1,237,572)
Cash flow from financing activity			
(Repayment)/receipt of loan from a director		**(574,854)**	541,704
Net cash inflow from financing activity		**(574,854)**	541,704
Net increase in cash and bank balances held		**542,336**	870,367
Cash and bank balances at the beginning of the financial year		**1,113,988**	243,621
Cash and bank balances at the end of the financial year		**1,656,324**	1,113,988

The accompanying notes form an integral part of these financial statements.
Auditors' Report — Page C-50.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2002

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The Company is domiciled and incorporated in Singapore. The address of the Company's registered office is 390 Havelock Road, #04-06 King's Centre, Singapore 169662.

The principal activities of the Company consists of distribution of telecommunication products, design and development of telecommunication solutions, project management, maintenance and support services for telecommunication industry.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared in accordance with and comply with Singapore Statements of Accounting Standard.

The financial statements are prepared under the historical cost convention.

The financial statements are expressed in Singapore Dollars.

In 2002, the Group adopted SAS 12 (Revised 2001) Income Taxes.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. The results of subsidiaries acquired or disposed of during the financial year are included in or excluded from the consolidated income statement from the date of their acquisition or disposal. Intercompany balances and transactions and resulting unrealised profits are eliminated in full on consolidation. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

(c) Foreign currencies

Transactions in foreign currencies during the financial year are converted to Singapore dollars at the rates of exchange prevailing on the transaction dates. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the balance sheet date. Exchange differences arising are taken to the income statements.

(d) Revenue recognition

Revenue from sale of goods is recognised upon passage of title to the customers which generally coincides with their delivery and acceptance.

Revenue and profit from contracts are recognised on an individual contract basis using the percentage of completion method, when the stage of contract completion can be reliably determined, costs to date can be clearly identified, and the total contract revenue to be received and costs to complete can be reliably estimated.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(d) Revenue recognition *(cont'd)*

The percentage of completion is estimated by the Company's management with reference to the stage of completion of the work as accepted by the customer.

Where it is probable that a loss will arise from a contract, the excess of total estimated costs over revenue is recognised as an expense immediately.

Revenue from maintenance contracts is recognised on a straight line basis over the period of the respective contracts.

Revenue from the rendering of services is recognised on an accrual basis.

Interest income is accrued on a day-to-day basis.

(e) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on fixed assets and general provisions. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(f) Trade debtors

Trade debtors are carried at original invoice less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off during the financial year in which they are identified.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Provision is made where necessary for obsolete, slow moving and defective inventories.

(h) Contract work-in-progress

Contract work-in-progress is stated at the aggregate of contract costs incurred to date plus profits recognised based on the value of work completed less progress billings and provision for foreseeable losses.

For contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under current liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(h) Contract work-in-progress *(cont'd)*

Cost includes both variable and fixed costs directly related to specific contracts and those which can be attributed to contract activity in general and which can be allocated to specific contracts. Also included are any costs expected to be incurred under penalty clauses and rectification provisions.

(i) Investments in subsidiaries

Investments in subsidiaries intended to be held for the long term are stated in the financial statements at cost less provision. Provision is made, where there is a diminution in the value of investments other than temporary.

Profit and loss on disposal of investments is taken to the income statements.

(j) Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

Increases in the carrying amount arising from the revaluation of individual property are credited to an asset revaluation reserve in shareholders' equity. To the extent that a decrease in carrying amount offsets a previous increase that has been credited to asset revaluation reserve and not subsequently reversed or utilised, it is charged against the asset revaluation reserve. In all other cases decreases in carrying amount are charged to the income statements.

An increase on revaluation directly related to a previous decrease in carrying amount that was charged to the income statements is credited to income to the extent that it offsets the previously recorded decrease.

On disposal of a property carried at valuation, the revaluation surplus relating to the property is transferred directly to retained profits.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

(k) Depreciation of fixed assets

Depreciation is calculated on a straight line basis to write off the cost of fixed assets over their expected useful lives. The estimated useful lives are as follows:

Office equipment and furniture and fixtures	5 years
Telecommunication and research and development equipment	5 years
Computers	3 years
Renovation	5 years

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(l) Accounting for leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of the leased assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Operating lease payments are charged to the income statements on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(m) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Warranty

The Company recognises the estimated liability on all projects still under warranty at the balance sheet date. This provision is calculated based on service histories.

(n) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave is recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(o) Share capital

Ordinary shares are classified as equity.

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(p) Related parties

The related parties refer to companies with common shareholders and/or directors.

(q) Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

3. SALES

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Distribution of telecommunication products	**6,256,138**	6,842,077	**3,630,349**	6,842,077
Solution provisions	**13,693,715**	13,938,533	**13,693,715**	13,938,533
	19,949,853	20,780,610	**17,324,064**	20,780,610

4. OPERATING PROFIT

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Operating profit is arrived at after:				
Charging:				
Auditors' remuneration				
— current financial year	**23,000**	15,000	**20,000**	15,000
— under provision in respect of preceding financial year	**5,000**	—	**5,000**	—
Directors' remuneration	**55,000**	50,000	**55,000**	50,000
Depreciation of fixed assets				
— Office equipment and furniture	**26,814**	21,573	**25,518**	21,573
— Telecommunication and research and development equipment	**311,511**	273,074	**311,511**	273,074
— Computers	**60,862**	23,098	**60,556**	23,098
— Renovation	**18,868**	16,058	**18,776**	16,058
Provision for doubtful trade debts provided	**—**	267,258	**—**	267,258
Write-off of fixed assets	**2,015**	98,872	**2,015**	98,872
Inventories written off	**58,106**	152,160	**58,106**	152,160
Loss on disposal of fixed assets	**—**	3,791	**—**	3,791
Operating leases — rent expense	**498,646**	252,672	**498,646**	252,672
Crediting:				
Net foreign exchange gain	**102,807**	2,612	**104,687**	2,612
Gain on disposal of fixed assets	**150,170**	—	**150,170**	—
Provision for doubtful trade debts written back	**177,588**	—	**177,588**	—
Provision for warranty written back	**151,905**	—	**151,905**	—

5. STAFF COSTS

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Wages and salaries	**1,737,592**	1,212,876	**1,582,835**	1,212,876
Employer's contribution to Central Provident Fund	**254,877**	153,266	**230,206**	153,266
	1,992,469	1,366,142	**1,813,041**	1,366,142

Number of persons employed at the end of financial year:

	The Group		The Company	
	2002	2001	**2002**	2001
Full time	**39**	32	**33**	32

6. TAX

(a) Tax expense

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Income tax expense attributable to profit is made up of:				
Current income tax provision				
— Singapore	**540,850**	392,750	**426,000**	392,750
Deferred income tax provision	**(53,850)**	180,000	**(57,000)**	180,000
	487,000	572,750	**369,000**	572,750
Under/(over) provision in preceding financial year				
— Current income tax	**1,792**	(31,429)	**1,792**	(31,429)
— Deferred tax	**—**	95,000	**—**	95,000
	488,792	636,321	**370,792**	636,321

6. TAX *(cont'd)*

(a) Tax expense *(cont'd)*

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Profit before tax	**2,349,034**	2,485,921	**1,825,849**	2,485,921
Tax calculated at a tax rate of 22% (2001: 24.5%)	**516,787**	609,051	**401,687**	609,051
Singapore statutory stepped income exemption	**(23,100)**	(11,550)	**(11,550)**	(11,550)
Income not subject to tax	**(14,161)**	(20,720)	**(14,161)**	(20,720)
Expenses not deductible for tax purposes	**6,771**	—	**6,771**	—
Other differences	**703**	(4,031)	**(13,747)**	(4,031)
	487,000	572,750	**369,000**	572,750

(b) Movements for provision for income tax

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Balance at the beginning of the financial year	**393,675**	400,000	**393,675**	400,000
Income tax paid	**(406,830)**	(399,075)	**(406,830)**	(399,075)
Current financial year's income tax expense	**540,850**	392,750	**426,000**	392,750
Underprovision in preceding financial year	**1,792**	—	**1,792**	—
Balance at the end of the financial year	**529,487**	393,675	**414,637**	393,675

6. TAX *(cont'd)*

(c) Composition of deferred taxation

The movement in the deferred tax assets and liabilities prior to offsetting of balances during the year is as follows:

Deferred tax liabilities/(assets)

	Accelerated tax depreciation	Others	Total
	$	**$**	**$**
The Group			
At 1 January 2002	345,000	(45,000)	300,000
Charged/(credited) to income statement	(105,850)	52,000	(53,850)
At 31 December 2002	239,150	7,000	246,150
The Company			
At 1 January 2002	345,000	(45,000)	300,000
Charged/(credited) to income statement	(107,000)	50,000	(57,000)
At 31 December 2002	238,000	5,000	243,000

7. CASH AND CASH EQUIVALENTS

	The Group		**The Company**	
	2002	2001	**2002**	2001
	$	$	**$**	$
Cash at bank and on hand	**1,356,324**	1,113,988	**1,072,941**	1,113,986
Fixed deposits with bank	**300,000**	—	**300,000**	—
	1,656,324	1,113,988	**1,372,941**	1,113,986

The fixed deposit with bank matures within 12 months from the financial year end and carries interest rate of 0.9375% per annum (2001: Nil).

Fixed deposit of $300,000 (2001: Nil) is a restricted deposit placed with bank to secure the banking facilities for the Group and the Company.

The banking facilities are further secured by personal guarantee of one of the director amounting to $500,000. The bank charged interest on the credit facilities availed during the financial year at rates ranging from bank's prime rate plus 1.25% per annum to bank's prime rate plus 1.75% per annum (2001: Nil).

8. TRADE DEBTORS

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Trade debtors	**6,368,155**	3,422,282	**5,979,108**	3,422,282
Less: Provision for doubtful trade debts	**—**	(372,259)	**—**	(372,259)
	6,368,155	3,050,023	**5,979,108**	3,050,023

Movements in provision for doubtful trade debts are as follows:

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Balance at the beginning of the financial year	**372,259**	105,001	**372,259**	105,001
(Writeback)/provision made during the financial year	**(177,588)**	267,258	**(177,588)**	267,258
Bad debts written off against provision	**(194,671)**	—	**(194,671)**	—
Balance at the end of the financial year	**—**	372,259	**—**	372,259

9. CONTRACT WORK-IN-PROGRESS

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Contract costs incurred plus recognised profits	**1,295,586**	2,743,064	**1,295,586**	2,743,064
Progress billings	**(1,030,290)**	(2,596,281)	**(1,030,290)**	(2,596,281)
	265,296	146,783	**265,296**	146,783

10. DUE FROM/TO RELATED COMPANIES (NON-TRADE) AND A DIRECTOR

Amounts due from/to related companies are unsecured, interest free and are repayable on demand.

Amounts due to a director is unsecured, interest free and is repayable on demand.

11. INVENTORIES

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Inventories, at cost	**3,390,394**	4,115,216	**2,317,596**	4,115,216

12. OTHER CURRENT ASSETS

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Deposits	**149,284**	225,293	**148,384**	225,293
Prepayments	**76,387**	35,687	**69,438**	35,687
Others	**53,572**	1,354	**52,481**	1,354
	279,243	262,334	**270,303**	262,334

13. INVESTMENT IN SUBSIDIARIES

Name of subsidiary	Principal activities	Country of incorporation and place of business	Equity interest		Cost of investment	
			2002	2001	**2002**	2001
			%	%	**$**	$
Attrix Technology Pte Ltd[(1)]	Distribution of telecommunication products	Singapore	**100**	—	**2**	—
Unified Communications Limited *(formerly known as Fancy Bright Enterprises Limited)*[(2)]	Distribution of telecommunication products, design and development of telecommunication solutions, project management, maintenance and support services for telecommunication industry	Hong Kong	**51**	—	**1,153**	—
Unified Communications China Pte Ltd[(2)]	Investment holding company	Singapore	**—**	100	**—**	2
					1,155	2

(1) Audited by PricewaterhouseCoopers, Singapore.

(2) Audited by other firms.

Acquisition of Subsidiaries

On 21 February 2002, the Company acquired 100% of the shares of Attrix Technology Pte Ltd for $2. The share of the net tangible assets of the subsidiary acquired was $2 at the acquisition date.

On 22 November 2002, the Company acquired 51% of the shares of Unified Communications Ltd for HK$5,100 (S$1,153). The share of the net tangible assets of the subsidiary acquired was HK$5,100 ($1,153) at the acquisition date.

13. INVESTMENT IN SUBSIDIARIES *(cont'd)*

Disposal of subsidiaries

On 17 September 2002 and 2 December 2002, the Company disposed of its 49% and 51% interests respectively in Unified Communications China Pte Ltd and its subsidiary, You Kang Xin Da Tong Xun Ji Shu (Beijing) You Xian Gong Si, (''UC China''). The sales, results and net assets contributed by UC China up to the date of disposal were as follows:

	The Group	
	2002	2001
	$	$
Sales	**6,540**	—
Net loss before tax	**210,164**	—
Tax	**—**	—
Net loss after tax	**210,164**	—

	2002
	$
Net identifiable assets disposed	
Fixed assets	**61,824**
Current assets	**90,211**
Current liabilities	**(362,199)**
	(210,164)
Gain on disposal	**310,164**
Gross proceeds	**100,000**
Less: Cash and cash equivalent in subsidiary sold	**(100,000)**
Net cash inflow on sale	**—**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2002

14. FIXED ASSETS

The Group	Office equipment and furniture	Telecommunication and research and development equipment	Computers	Renovation	Total
	$	$	$	$	$
Cost					
At 1 January 2002	117,819	1,611,018	142,515	91,740	1,963,092
Additions	25,275	162,608	89,310	3,605	280,798
Write-offs	(619)	—	(2,935)	—	(3,554)
Transfers to inventory	—	—	(20,390)	—	(20,390)
Disposals	—	(126,962)	(5,146)	—	(132,108)
At 31 December 2002	142,475	1,646,664	203,354	95,345	2,087,838
Accumulated depreciation					
At 1 January 2002	25,774	348,100	31,689	16,367	421,930
Charge in Period	26,814	311,511	60,862	18,868	418,055
Write-offs	(72)	—	(1,467)	—	(1,539)
Transfers to inventory	—	—	(6,797)	—	(6,797)
Disposals	—	(65,483)	(4,574)	—	(70,057)
At 31 December 2002	52,516	594,128	79,713	35,235	761,592
Net book value					
At 31 December 2002	**89,959**	**1,052,536**	**123,641**	**60,110**	**1,326,246**
Net book value					
At 31 December 2001	92,045	1,262,918	110,826	75,373	1,541,162

14. FIXED ASSETS *(cont'd)*

The Company	Office equipment and furniture	Telecommunication and research and development equipment	Computers	Renovation	Total
	$	$	$	$	$
Cost					
At 1 January 2002	117,819	1,611,018	142,515	91,740	1,963,092
Additions	12,647	162,608	87,466	2,570	265,291
Write-offs	(619)	—	(2,935)	—	(3,554)
Transfers to inventory	—	—	(20,390)	—	(20,390)
Disposals	—	(126,962)	(5,146)	—	(132,108)
At 31 December 2002	129,847	1,646,664	201,510	94,310	2,072,331
Accumulated depreciation					
At 1 January 2002	25,774	348,100	31,689	16,367	421,930
Charge in Period	25,518	311,511	60,556	18,776	416,361
Write-offs	(72)	—	(1,467)	—	(1,539)
Transfers to inventory	—	—	(6,797)	—	(6,797)
Disposals	—	(65,483)	(4,574)	—	(70,057)
At 31 December 2002	51,220	594,128	79,407	35,143	759,898
Net book value					
At 31 December 2002	**78,627**	**1,052,536**	**122,103**	**59,167**	**1,312,433**
Net book value					
At 1 December 2001	92,045	1,262,918	110,826	75,373	1,541,162

15. EXCESS OF PROGRESS BILLINGS OVER CONTRACT PLUS PROFITS

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Contract costs incurred plus recognised profits	**—**	—	**—**	—
Progress billings	**—**	517,872	**—**	517,872
	—	517,872	**—**	517,872

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2002

16. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Trade creditors	**2,332,132**	2,223,420	**1,494,437**	2,223,420
Accrued operating expenses	**637,883**	591,456	**607,940**	591,456
Other payable	**61,646**	—	**61,646**	—
	3,031,661	2,814,876	**2,164,023**	2,814,876

Trade creditors include trust receipts and letters of credits amounting to $600,932 (2001: Nil).

17. WARRANTY PROVISION

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Warranty	**—**	151,905	**—**	151,905

The Company gives one year warranty on in-house developed software and undertakes to rectify the software that fail to perform satisfactorily. A provision is recognised at the financial year end for expected warranty claims based on past experience of the level of rectification work.

Movements in provision for warranty are as follows:

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Balance at the beginning of the financial year	**151,905**	215,420	**151,905**	215,420
Provision written back during the financial year	**(151,905)**	—	**(151,905)**	—
Utilised during the year	**—**	(63,515)	**—**	(63,515)
Balance at the end of the financial year	**—**	151,905	**—**	151,905

18. SHARE CAPITAL

(a) Authorised share capital

The authorised number of ordinary shares is 5,000,000 shares (2001: 5,000,000 shares) with a par value of $1 per share (2001: $1 per share).

(b) Issued and fully paid-up ordinary share capital

	2002 Shares	2001 Shares	**2002 $**	2001 $
Balance at the beginning of the financial year	**1,000,000**	60,000	**1,000,000**	60,000
Issued during the financial year	**—**	940,000	**—**	940,000
Balance at the end of the financial year	**1,000,000**	1,000,000	**1,000,000**	1,000,000

19. PROPOSED DIVIDENDS

	The Group and the Company	
	2002	2001
	$	$
Final dividend of 15.6 cents per ordinary share, proposed net of tax at 22%	**156,000**	—

The directors have proposed a final dividend for 2002 of 15.6 cents per share amounting to a total of $156,000, less income tax at 22%. These financial statements do not reflect this dividend payable, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2003.

20. HOLDING CORPORATIONS

On 25 September 2002, one of the directors of the Company, sold his controlling interest in the company to Worldwide Matrix Sdn Bhd.

At 31 December 2002, the immediate holding corporation is Worldwide Matrix Sdn Bhd, incorporated in Malaysia. The ultimate holding corporation is Advance Synergy Berhad, a corporation also incorporated in Malaysia.

21. COMMITMENTS

(a) Capital commitments

Commitments not provided for in the financial statements:

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Expenditure approved and contracted for	**—**	458,000	**—**	458,000

(b) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are payable as follows:

	The Group		The Company	
	2002	2001	**2002**	2001
	$	$	**$**	$
Not later than one financial year	**524,653**	474,480	**524,653**	474,480
Later than one financial year but not later than five financial years	**135,211**	575,982	**135,211**	575,982

22. RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year on terms agreed between the parties concerned:

	The Group	
	2002	2001
	$	$
Sales with related company	**2,916,828**	3,151,183
Purchases with related company	**3,314,593**	5,089,107

The Group has also incurred expenses on behalf of related parties during the financial year which are fully reimbursed.

23. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to variety of financial risks including the effects of change in foreign currency exchange rates.

The foreign currency exchange risk arises mainly from Group's transactions with foreign trade debtors and creditors. The Group monitors the movement in foreign currency exchange rates closely to ensure their exposures are minimised.

23. FINANCIAL RISK MANAGEMENT *(cont'd)*

The Group's business is not exposed to any significant concentration of credit risk.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group maintains sufficient cash.

24. NET FAIR VALUES

The carrying amounts of the following financial assets and liabilities approximate their fair value: cash, trade and other receivables, trade and other payables and investment in subsidiaries.

25. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the directors on 17 April 2003.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

For the year ended 31 December 2000

The audited financial statements of Unified Communications Sdn Bhd for the financial year ended 31 December 2000 have been reproduced for the purposes of inclusion in the Prospectus, and are set out in the Appendix D to the Prospectus. These financial statements were not prepared for purposes of inclusion in the Prospectus.

The page references in the auditors' report for the financial year ended 31 December 2000 set out on page D-17 of the Prospectus refer to the audited financial statements issued, which have been reproduced and are set out on pages D-5 to D-14.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

DIRECTORS' REPORT

For the year ended 31 December 2000

The Directors have pleasure in submitting their report together with the audited financial statements of the Company for the financial year ended 31 December 2000.

Principal activities

The principal activities of the Company are research and development, software engineering, system integration, project management and maintenance and support for telecommunication industry. There have been no significant changes in the nature of these activities during the financial year.

Financial results

	RM
Profit after taxation	743,335

In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Share capital

During the year, the authorised share capital of the Company was increased from 100,000 shares to 5,000,000 shares of RM1 each by the creation of an additional 4,900,000 ordinary shares of RM1 each.

At the same time, the issued and paid up share capital of the Company was increased from RM10,002 to RM1,000,200 by way of bonus issue of 990,198 new ordinary shares of RM1 each on the basis of 99 new ordinary shares for each existing ordinary share held.

The newly issued shares rank *pari passu* in all respect with the existing ordinary shares.

Dividend

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the year under review.

Movements on reserves and provisions

All material transfers to or from reserves and provisions during the year are shown in the financial statements.

Directors

The Directors in office since the date of the last report are:

Wong Tze Leng	
Lum Weng Loy	(appointed on 18 April 2001)
Wong Kim Yoong @ Wong Kim Po	(resigned on 18 April 2001)
Lim Ah Nya @ Lim Siew Chun	(resigned on 18 April 2001)

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

DIRECTORS' REPORT

For the year ended 31 December 2000

Directors' interests

According to the Register of Directors' Shareholdings, particulars of interests in the shares in the Company during the financial year of those Directors holding office at the end of the financial year are as follows:

	Number of ordinary shares of RM1.00 each			
	1 January	Additions	Disposals	**31 December**
Wong Kim Yoong @ Wong Kim Po	1	99	—	100
Lim Ah Nya @ Lim Siew Chun	1	99	—	100
Wong Tze Leng	10,000	990,000	—	1,000,000

Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps:

(a) to ascertain the action taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their expected realisable values.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off or provided for bad and doubtful debts of the Company inadequate to any material extent or the values attributed to current assets of the Company misleading; and

(b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or other event of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Company for the current financial year; and

(b) no charge has arisen on the assets of the Company which secures the liability of any other person nor has any contingent liability arisen in the Company.

DIRECTORS' REPORT
For the year ended 31 December 2000

Other statutory information *(cont'd)*

No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet its obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 24 May 2001.

Wong Tze Leng
Director

Lum Weng Loy
Director

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

INCOME STATEMENT

For the year ended 31 December 2000

	Note	2000 RM	1999 RM
Revenue	4	**6,799,169**	4,210,597
Cost of sales		**(3,957,964)**	(2,038,782)
Gross profit		**2,841,205**	2,171,815
Distribution expenses		**(539,942)**	(181,143)
Administrative expenses		**(1,127,228)**	(357,477)
Profit from ordinary activities before taxation	5	**1,174,035**	1,633,195
Taxation	6	**(430,700)**	—
Net profit from ordinary activities after taxation		**743,335**	1,633,195

The above income statement is to be read in conjunction with the notes to the financial statements on pages D-9 to D-14.
Auditors' report — page D-17.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

BALANCE SHEET

As at 31 December 2000

	Note	2000 RM	1999 RM
Non current assets			
Property, plant and equipment	7	**785,056**	504,922
Current assets			
Inventories	8	**1,447,161**	—
Trade receivables less provision for doubtful debts RM48,918 (1999: Nil)		**1,302,355**	2,057,230
Other receivables, deposits and prepayments less provision for doubtful debts RM217,603 (1999: Nil)		**156,124**	222,904
Cash and bank balances		**399,022**	462
		3,304,662	2,280,596
Current liabilities			
Trade payables		**60,896**	1,058,908
Other payables and accrued liabilities		**179,368**	86,220
Amounts owing to a director	9	**1,055,633**	16,313
Taxation		**297,700**	—
Bank overdraft		**—**	4,291
		1,593,597	1,165,732
Net current assets		**1,711,065**	1,114,864
Non current liabilities			
Deferred taxation	10	**(133,000)**	—
		2,363,121	1,619,786
Capital and reserves			
Share capital	11	**1,000,200**	10,002
Unappropriated profit		**1,362,921**	1,609,784
		2,363,121	1,619,786

The above balance sheet is to be read in conjunction with the notes to the financial statements on pages D-9 to D-14.
Auditors' report — page D-17.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2000

	Issued and fully paid ordinary shares of RM1 each		Distributable	
	Number of shares	Nominal value RM	(Accumulated loss)/ unappropriated profit RM	Total RM
At 1 January 1999	10,002	10,002	(23,411)	(13,409)
Net profit for the year	—	—	1,633,195	1,633,195
At 31 December 1999	10,002	10,002	1,609,784	1,619,786
Net profit for the year	—	—	743,335	743,335
Bonus issue (99: 1)	990,198	990,198	(990,198)	—
At 31 December 2000	1,000,200	1,000,200	1,362,921	2,363,121

The above statement of changes in equity is to be read in conjunction with the notes to the financial statements on pages D-9 to D-14.
Auditors' report — page D-17.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

CASH FLOW STATEMENT

For the year ended 31 December 2000

	Note	2000 RM	1999 RM
Cash flows from operating activities			
Profit from ordinary activities after taxation		**743,335**	1,633,195
Adjustments for:			
Depreciation		**224,661**	127,606
Taxation		**430,700**	—
Provision for doubtful debts		**266,521**	48,212
Loss on disposal of property, plant and equipment		**30,063**	—
Property, plant and equipment written off		**119,254**	5,054
Changes in working capital		**1,814,534**	1,814,067
Inventories		**(1,447,161)**	284,973
Receivables		**555,134**	(2,166,136)
Payables		**(904,864)**	885,710
Net cash from operating activities		**17,643**	818,614
Cash flows used in investing activities			
Purchase of property, plant and equipment		**(654,112)**	(615,580)
Net cash used in investing activities		**(654,112)**	(615,580)
Cash flows from/(used in) financing activities			
Advances from/(Repayment to) directors		**1,039,320**	(224,568)
Net cash from/(used in) financing activities		**1,039,320**	(224,568)
Net increase/(decrease) in cash and cash equivalents during the year		**402,851**	(21,534)
Cash and cash equivalents at beginning of the year		**(3,829)**	17,705
Cash and cash equivalents at end of the year	12	**399,022**	(3,829)

The above cash flow statement is to be read in conjunction with the notes to the financial statements on pages D-9 to D-14.
Auditors' report — page D-17.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2000

1. GENERAL INFORMATION

The principal activities of the Company are research and development, software engineering, system integration, project management and maintenance and support for telecommunication industry.

The number of employees in the Company at the end of the year amounted to 27 (1999: 17) employees.

The Company is a private limited company, incorporated and domiciled in Malaysia.

The address of the registered office of the Company is as follows:

Room 231, 2nd Floor Wisma IJM,
Jalan Yong Shook Lin,
46050 Petaling Jaya

The principal place of business of the Company is as follows:

Suite E-05-16, Plaza Mont' Kiara,
No. 2, Jalan 1/70C, Mont' Kiara,
50480 Kuala Lumpur

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved Accounting Standards in Malaysia.

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Receivables

Trade receivables are carried at anticipated realisable value. Bad debts are written off in the year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end.

Property, plant and equipment

The cost of property, plant and equipment comprises their purchase cost and any incidental costs of acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Property, plant and equipment *(cont'd)*

Depreciation of property, plant and equipment is calculated so as to write off their cost on a straight line basis over the expected useful lives of the assets concerned. The annual rates are:

	%
Telecommunication equipment	20
Research and development equipment	20
Furniture, fittings and renovation	10 – 20
Office equipment	20

Where the carrying amount of an property, plant and equipment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis and includes all direct purchase and incidental costs required to bring the inventories to their present location and condition. Provision is made where necessary for obsolete, slow moving and defective inventories. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Deferred taxation

Provision is made using the liability method for taxation deferred in respect of all timing differences except where it is considered reasonably probable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax assets are not recognised unless there is a reasonable expectations of their realisation.

Revenue recognition

Revenue are recognised upon delivery of products and customer acceptance, or performance of services, net of sales returns and discounts.

Foreign currency translation

Foreign currency monetary assets and liabilities are translated to Ringgit Malaysia at rates of exchange ruling on the balance sheet date and foreign currency transactions during the year, are converted at rates of exchange ruling on the transaction dates. Differences on exchange are included in the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Foreign currency translation *(cont'd)*

The principal closing rate used in translation of foreign currency amounts was as follows:

Foreign currency	31.12.2000	3.12.1999
1 USD	**3.80**	3.80

Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

4. REVENUE

	2000 RM	1999 RM
Sales of equipment	**4,126,277**	2,315,567
Sales of software systems	**1,827,631**	1,895,030
Revenue sharing income	**845,261**	—
	6,799,169	4,210,597

5. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

	2000 RM	1999 RM
Profit from ordinary activities before taxation is stated after charging:		
Auditors' remuneration	**15,000**	5,500
Staff cost	**1,041,945**	451,512
Depreciation of property, plant and equipment	**224,661**	127,606
Property, plant and equipment written off	**119,254**	5,054
Loss on disposal of property, plant and equipment	**30,063**	—
Rental of premises	**78,050**	315
Provision for doubtful debts	**266,521**	48,212

6. TAXATION

	2000 RM	1999 RM
Taxation based on the results for the financial year:		
Malaysian income tax	**297,700**	—
Transfer from deferred taxation	**133,000**	—
	430,700	—

6. TAXATION *(cont'd)*

The effective tax rate of the Company for the year was higher than the statutory rate prevailing in Malaysia because certain expenses were not deductible for tax purposes.

The Company has sufficient tax credit under section 108 of the Income Tax Act, 1967, which subject to agreement with the Inland Revenue Board, are available to frank the payment of net dividends up to RM765,000 out of its unappropriated profits at 31 December 2000.

7. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

2000	**Telecommunication equipment**	**Research and development equipment**	**Furniture, fittings and renovation**	**Office equipment**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**
Cost					
At 1 January	—	581,873	1,545	54,610	638,028
Additions	275,166	143,834	67,768	167,344	654,112
Disposals	(37,578)	—	—	—	(37,578)
Written off	—	(141,774)	(8,379)	(5,016)	(155,169)
At 31 December	237,588	583,933	60,934	216,938	1,099,393
Accumulated depreciation					
At 1 January	—	116,375	309	16,422	133,106
Charge for the year	85,222	89,959	6,093	43,387	224,661
Disposals	(7,515)	—	—	—	(7,515)
Written off	—	(33,368)	(309)	(2,238)	(35,915)
At 31 December	77,707	172,966	6,093	57,571	314,337
Net book value					
At 31 December	159,881	410,967	54,841	159,367	785,056

7. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

1999	**Research and development equipment**	**Furniture, fittings and renovation**	**Office equipment**	**Total**
	RM	**RM**	**RM**	**RM**
Cost				
At 1 January	—	—	27,502	27,502
Additions	581,873	1,545	32,162	615,580
Written off	—	—	(5,054)	(5,054)
At 31 December	581,873	1,545	54,610	638,028
Accumulated depreciation				
At 1 January	—	—	5,500	5,500
Charge for the year	116,375	309	10,922	127,606
At 31 December	116,375	309	16,422	133,106
Net book value				
At 31 December	465,498	1,236	38,188	504,922

8. INVENTORIES

	2000	1999
	RM	RM
Finished goods, at cost	**1,447,161**	—

9. AMOUNT OWING TO A DIRECTOR

The amount owing to a director is unsecured, interest free and has no fixed terms of repayment.

10. DEFERRED TAXATION

	2000	1999
	RM	RM
Transfer to income statement	**133,000**	—
At 31 December	**133,000**	—

Deferred taxation has been provided for all timing differences.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2000

11. SHARE CAPITAL

	2000 RM	1999 RM
Ordinary shares of RM1.00 each:		
Authorised:		
At 1 January	**100,000**	100,000
Created during the year	**4,900,000**	—
At 31 December	**5,000,000**	100,000
Issued and paid up:		
At 1 January	**10,002**	10,002
Bonus issue (99: 1)	**990,198**	—
At 31 December	**1,000,200**	10,002

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

	2000 RM	1999 RM
Cash and bank balances	**399,022**	462
Bank overdraft	**—**	(4,291)
	399,022	(3,829)

13. CAPITAL COMMITMENT

(a) Capital expenditure in respect of renovation work:

	2000 RM	1999 RM
Authorised and contracted for	**92,940**	—

(b) Lease commitments

	2000 RM	1999 RM
Within twelve months	**129,600**	—
More than twelve months	**127,400**	—
	257,000	—

14. COMPARATIVE FIGURES

Comparative figures were extended to comply with the additional disclosure requirements of the 13 new MASB Standards that are applicable for the year ended 31 December 2000.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Wong Tze Leng and Lum Weng Loy, being two of the Directors of Unified Communications Sdn Bhd, state that in the opinion of the Directors, the financial statements set out on pages D-5 to D-14 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2000 and of its results and cash flows for the year ended on that date in accordance with the applicable approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 24 May 2001.

Wong Tze Leng
Director

Lum Weng Loy
Director

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

STATUTORY DECLARATION

I, Wong Tze Leng, being the Director primarily responsible for the financial management of Unified Communications Sdn Bhd, do solemnly and sincerely declare that the financial statements set out on pages D-5 to D-14 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Wong Tze Leng
Director

Subscribed and solemnly declared at Kuala Lumpur on 24 May 2001.
Before me:

Commissioner for Oaths

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

REPORT OF THE AUDITORS TO THE MEMBERS OF UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

We have audited the financial statements set out on pages D-5 to D-14. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provision of the Companies Act, 1965 and applicable approved Accounting Standards in Malaysia so as to give a true and fair view of:

 (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

 (ii) the state of affairs of the Company as at 31 December 2000 and of the results and cash flow of the Company for the year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers
(AF:1146)
Public Accountants

Yap Kim Swee
(1654/10/02(J))
Partner

Kuala Lumpur
24 May 2001

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

The audited financial statements of Unified Communications Sdn Bhd for the financial year ended 31 December 2001 have been reproduced for the purposes of inclusion in the Prospectus, and are set out in the Appendix D to the Prospectus. These financial statements were not prepared for purposes of inclusion in the Prospectus.

The page references in the auditors' report for the financial year ended 31 December 2001 set out on page D-35 of the Prospectus refer to the audited financial statements issued, which have been reproduced and are set out on pages D-22 to D-32.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

DIRECTORS' REPORT

For the financial year ended 31 December 2001

The Directors have pleasure in submitting their report together with the audited financial statements of the Company for the financial year ended 31 December 2001.

Principal activities

The principal activities of the Company are research and development, software engineering, system integration, project management and maintenance and support for telecommunication industry. There have been no significant changes in the nature of these activities during the financial year.

Financial results

	RM
Profit after taxation	13,479,200

In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the financial year under review.

Movements on reserves and provisions

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

Directors

The Directors in office since the date of the last report are:

Wong Tze Leng
Lum Weng Loy

Directors' interest

According to the Register of Directors' Shareholdings, particulars of interest in the shares in the Company during the financial year of the Director holding office at the end of the financial year is as follows:

	Number of ordinary shares of RM1.00 each			
	1 January	**Additions**	**Disposals**	**31 December**
Wong Tze Leng	1,000,000	—	250,050	749,950

None of the other director in office at the end of the financial year held any interest in the share in the Company or its related corporations during the financial year.

DIRECTORS' REPORT

For the financial year ended 31 December 2001

Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for any benefit which may be deemed to have arisen by a virtue of any transaction with companies, in which a Director has a substantial financial interest in the ordinary course of business.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps:

(a) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their expected realisable values.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off or provided for bad and doubtful debts of the Company inadequate to any material extent or the values attributed to current assets of the Company misleading; and

(b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or other event of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Company for the current financial year; and

(b) no charge has arisen on the assets of the Company which secures the liability of any other person nor has any contingent liability arisen in the Company.

No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet its obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

For the financial year ended 31 December 2001

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 26 June 2002.

Wong Tze Leng
Director

Lum Weng Loy
Director

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

INCOME STATEMENT

For the financial year ended 31 December 2001

	Note	2001 RM	2000 RM
Revenue	4	**24,833,584**	6,799,169
Cost of sales		**(7,413,582)**	(3,611,736)
Gross profit		**17,420,002**	3,187,433
Technical support and development costs		**(1,678,681)**	(385,253)
Distribution expenses		**(595,273)**	(539,942)
Administrative expenses		**(1,386,374)**	(1,088,203)
Profit from operations		**13,759,674**	1,174,035
Finance cost		**(474)**	—
Profit before taxation	5	**13,759,200**	1,174,035
Taxation	6	**(280,000)**	(430,700)
Profit after taxation		**13,479,200**	743,335

The above income statement is to be read in conjunction with the notes to the financial statements on pages D-26 to D-32.
Auditors' report — page D-35.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

BALANCE SHEET

As at 31 December 2001

	Note	2001 RM	2000 RM
Non current assets			
Property, plant and equipment	7	**1,806,958**	785,056
Current assets			
Inventories	8	**2,057,864**	1,447,161
Trade receivables less allowance for doubtful debts RM146,705 (2000: 48,918)		**13,703,117**	1,302,355
Other receivables, deposits and prepayments	9	**214,786**	156,124
Amount owing by a shareholder	10	**25,500**	—
Cash and bank balances		**424,379**	399,022
		16,425,646	3,304,662
Current liabilities			
Trade payables		**304,160**	60,896
Other payables and accrued liabilities	11	**594,269**	179,368
Amounts owing to a director	12	**785,673**	1,055,633
Taxation		**373,445**	297,700
Bank overdraft	13	**199,736**	—
		2,257,283	1,593,597
Net current assets		**14,168,363**	1,711,065
Non current liabilities			
Deferred taxation	14	**133,000**	133,000
		15,842,321	2,363,121
Capital and reserve			
Share capital	15	**1,000,200**	1,000,200
Unappropriated profit		**14,842,121**	1,362,921
		15,842,321	2,363,121

The above balance sheet is to be read in conjunction with the notes to the financial statements on pages D-26 to D-32.
Auditors' report — page D-35.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2001

	Issued and fully paid ordinary shares of RM1 each		Distributable	
	Number of shares	Nominal value	Unappropriated profit	Total
		RM	RM	RM
At 31 December 1999	10,002	10,002	1,609,784	1,619,786
Net profit for the financial year	—	—	743,335	743,335
Bonus issue (99: 1)	990,198	990,198	(990,198)	—
At 31 December 2000	1,000,200	1,000,200	1,362,921	2,363,121
At 1 January 2001	1,000,200	1,000,200	1,362,921	2,363,121
Net profit for the financial year	—	—	13,479,200	13,479,200
At 31 December 2001	1,000,200	1,000,200	14,842,121	15,842,321

The above statement of changes in equity is to be read in conjunction with the notes to the financial statements on pages D-26 to D-32.
Auditors' report — page D-35.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

CASH FLOW STATEMENT

For the financial year ended 31 December 2001

	Note	2001 RM	2000 RM
Cash flows from operating activities			
Profit after taxation		**13,479,200**	743,335
Adjustments for:			
Depreciation		**317,264**	224,661
Taxation		**280,000**	430,700
Loss on disposal of property, plant and equipment		**893**	30,063
Property, plant and equipment written off		**—**	119,254
Interest expense		**474**	—
Changes in working capital		**14,077,831**	1,548,013
Inventories		**(610,703)**	(1,180,640)
Receivables		**(12,484,924)**	555,134
Payables		**658,165**	(904,864)
Cash generated from operations		**1,640,369**	17,643
Interest paid		**(474)**	—
Taxation paid		**(204,255)**	—
Net cash from operating activities		**1,435,640**	17,643
Cash flows used in investing activities			
Proceeds from disposal of property, plant and equipment		**2,000**	—
Purchase of property, plant and equipment		**(1,342,059)**	(654,112)
Net cash used in investing activities		**(1,340,059)**	(654,112)
Cash flows from/(used in) financing activities			
Advances (repayment to)/from a director		**(269,960)**	1,039,320
Net cash (used in)/from financing activities		**(269,960)**	1,039,320
Net (decrease)/increase in cash and cash equivalents during the year		**(174,379)**	402,851
Cash and cash equivalents at beginning of the year		**399,022**	(3,829)
Cash and cash equivalents at end of the year	16	**224,643**	399,022

The above cash flow statement is to be read in conjunction with the notes to the financial statements on pages D-26 to D-32.
Auditors' report — page D-35.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

1. GENERAL INFORMATION

The principal activities of the Company are research and development, software engineering, system integration, project management and maintenance and support for telecommunication industry.

The number of employees in the Company at the end of the financial year was 61 (2000: 27) employees.

The Company is a private limited company, incorporated and domiciled in Malaysia.

The address of the registered office of the Company is as follows:

Room 231, 2nd Floor Wisma IJM,
Jalan Yong Shook Lin,
46050 Petaling Jaya

The principal place of business of the Company is as follows:

Suite E-05-16, Plaza Mont' Kiara,
No. 2, Jalan 1/70C, Mont' Kiara,
50480 Kuala Lumpur

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved Accounting Standards in Malaysia.

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Receivables

Trade receivables are carried at anticipated realisable value. Bad debts are written off in the year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end.

Property, plant and equipment

The cost of property, plant and equipment comprises their purchase cost and any incidental costs of acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Property, plant and equipment *(cont'd)*

Depreciation of property, plant and equipment is calculated so as to write off their cost on a straight line basis over the expected useful lives of the assets concerned. The annual rates are:

	%
Telecommunication equipment	20
Research and development equipment	20
Furniture, fittings and renovation	20
Office equipment	20

Where the carrying amount of an property, plant and equipment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis and includes all direct purchase and incidental costs required to bring the inventories to their present location and condition. Allowance is made where necessary for obsolete, slow moving and defective inventories. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Deferred taxation

Provision is made using the liability method for taxation deferred in respect of all timing differences except where it is considered reasonably probable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax assets are not recognised unless there is a reasonable expectations of their realisation.

Revenue recognition

Revenue are recognised upon delivery of products and customer acceptance, or performance of services, net of sales returns and discounts.

Foreign currency translation

(a) Foreign operations

Financial statements of foreign operations that are integral to the operations of the Company are translated using procedures in the following paragraph as if the transactions of the foreign operations had been those of the Company.

(b) Foreign currency translation

Foreign currency monetary assets and liabilities are translated to Ringgit Malaysia at rates of exchange ruling on the balance sheet date and foreign currency transactions during the year, are converted at rates of exchange ruling on the transaction dates. Differences on exchange are included in the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Foreign currency translation *(cont'd)*

The principal closing rate used in translation of foreign currency amounts was as follows:

Foreign currency	**31.12.2001**	3.12.2000
1 USD	**3.80**	3.80

Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

4. REVENUE

	2001	2000
	RM	RM
Sale of equipment	**10,677,298**	4,126,277
Sale of software systems	**12,575,741**	1,827,631
Revenue sharing income	**1,580,545**	845,261
	24,833,584	6,799,169

5. PROFIT BEFORE TAXATION

	2001	2000
	RM	RM
Profit before taxation is stated after charging:		
Auditors' remuneration	**15,000**	15,000
Staff cost	**2,589,424**	1,041,945
Depreciation of property, plant and equipment	**317,265**	224,661
Property, plant and equipment written off	**—**	119,254
Loss on disposal of property, plant and equipment	**893**	30,063
Rental of premises	**181,483**	78,050
Allowance for doubtful debts	**97,787**	266,521

6 TAXATION

	2001	2000
	RM	RM
Taxation based on the results for the financial year:		
Malaysian income tax	**280,000**	297,700
Transfer from deferred taxation	**—**	133,000
	280,000	430,700

6 TAXATION *(cont'd)*

The effective tax rate of the Company for the year was lower than the statutory rate prevailing in Malaysia because the Company has been granted pioneer incentive for Multimedia Super Corridor status company under the Promotion of Investment Act, 1986 for a period of five years beginning from 21 December 2000 to 20 December 2005.

The Company has sufficient tax credit under section 108 of the Income Tax Act, 1967, and tax exempt income, which subject to agreement with the Inland Revenue Board, are available to frank the payment of net dividends out of all its unappropriated profits at 31 December 2001.

7. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

2001	**Telecommunication equipment**	**Research and development equipment**	**Furniture, fittings and renovation**	**Office equipment**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**
Cost					
At 1 January	237,588	583,933	60,934	216,938	1,099,393
Additions	43,359	758,283	252,611	287,806	1,342,059
Disposals	—	(5,985)	—	—	(5,985)
At 31 December	280,947	1,336,231	313,545	504,744	2,435,467
Accumulated depreciation					
At 1 January	77,707	172,966	6,093	57,571	314,337
Charge for the year	45,948	137,905	59,257	74,154	317,264
Disposals	—	(3,092)	—	—	(3,092)
At 31 December	123,655	307,779	65,350	131,725	628,509
Net book value					
At 31 December 2001	157,292	1,028,452	248,195	373,019	1,806,958
At 31 December 2000	159,881	410,967	54,841	159,367	785,056

8. INVENTORIES

	2001	2000
	RM	RM
Finished goods, at cost	**2,057,864**	1,447,161

9. OTHER RECEIVABLES, DEPOSIT AND REPAYMENTS

	2001	2000
	RM	RM
Other receivables	**257,668**	217,603
Less: Allowance for doubtful debts	**(217,603)**	(217,603)
	40,065	—
Deposits	**167,538**	156,124
Prepayments	**7,183**	—
	214,786	156,124

10. AMOUNT OWING BY A SHAREHOLDER

Amount owing by a shareholder is unsecured, interest free and has no fixed terms of repayment.

11. OTHER PAYABLES AND ACCRUED LIABILITIES

	2001	2000
	RM	RM
Other payables	**78,875**	3,530
Deposit payables	**3,770**	52,056
Accrued operating expenses	**511,624**	123,782
	594,269	179,368

12. AMOUNT OWING TO A DIRECTOR

Amount owing to a director is unsecured, interest free and has no fixed terms of repayment.

13. BANK OVERDRAFT

The interest charged during the year ranged between 7.9% and 8.3% (2000: Nil) per annum.

The bank overdraft facility is secured by way of:

(i) memorandum of deposit for fixed deposit of RM500,000 by a shareholder of the Company;

(ii) debenture charge for RM1,300,000 on the Company's present and future fixed and floating assets;

(iii) jointly and severally guarantee by the Company's Directors for RM1,300,000; and

(iv) proportionate guarantee by a shareholder of the Company up to RM325,000.

14. DEFERRED TAXATION

	2001	2000
	RM	RM
At 1 January	**133,000**	—
Transfer to income statement	**—**	133,000
At 31 December	**133,000**	133,000

Deferred taxation has been provided for all timing differences.

15. SHARE CAPITAL

	2001	2000
	RM	RM
Ordinary shares of RM1.00 each:		
Authorised:		
At 1 January	**5,000,000**	100,000
Created during the year	**—**	4,900,000
At 31 December	**5,000,000**	5,000,000
Issued and paid up:		
At 1 January	**1,000,200**	10,002
Bonus issue (99: 1)	**—**	990,198
At 31 December	**1,000,200**	1,000,200

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

	2001	2000
	RM	RM
Cash and bank balances	**424,379**	399,022
Bank overdraft	**(199,736)**	—
	224,643	399,022

17. CAPITAL COMMITMENT

(a) Capital expenditure in respect of renovation work:

	2001	2000
	RM	RM
Authorised and contracted for	**69,878**	92,940

17. CAPITAL COMMITMENT *(cont'd)*

(b) Lease commitments

	2001	2000
	RM	RM
Within one year	**350,955**	129,600
More than one year and not more than 5 years	**380,716**	127,400
	731,671	257,000

18. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

The related parties refer to companies with common shareholder and director. Significant transactions between the Company and its related parties during the financial year are as follows:

	2001	2000
	RM	RM
Sale of software systems	**10,688,270**	1,597,964
Purchase of research and development equipment	**687,124**	362,364
Purchase of hardware equipment	**5,882,003**	3,721,921

The terms of the above transactions are established by negotiation between the parties.

19. COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year, as follows:

	As previously reported	**As restated**
	RM	**RM**
Cost of sales	**3,957,964**	3,611,736
Technical support and development costs	**—**	385,253
Administrative expenses	**1,127,228**	1,088,203

UNIFIED COMMUNICATIONS SDN BHD (459754-P)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Wong Tze Leng and Lum Weng Loy, being two of the Directors of Unified Communications Sdn Bhd, state that in the opinion of the Directors, the financial statements set out on pages D-22 to D-32 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2001 and of its results and cash flows for the year ended on that date in accordance with the applicable approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 26 June 2002.

Wong Tze Leng
Director

Lum Weng Loy
Director

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

STATUTORY DECLARATION

I, Wong Tze Leng, being the Director primarily responsible for the financial management of Unified Communications Sdn Bhd, do solemnly and sincerely declare that the financial statements set out on pages D-22 to D-32 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Wong Tze Leng
Director

Subscribed and solemnly declared at Kuala Lumpur on 26 June 2002.
Before me:

Commissioner for Oaths

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

REPORT OF THE AUDITORS TO THE MEMBERS OF UNIFIED COMMUNICATIONS SDN BHD (4599754-P)

(Incorporated in Malaysia)

We have audited the financial statements set out on pages D-22 to D-32. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provision of the Companies Act, 1965 and applicable approved Accounting Standards in Malaysia so as to give a true and fair view of:

  (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

  (ii) the state of affairs of the Company as at 31 December 2001 and of the results and cash flow of the Company for the year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers
(AF:1146)
Chartered Accountants

Yap Kim Swee
(1654/10/02 (J))
Partner

Kuala Lumpur
26 June 2002

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

For the financial year ended 31 December 2002

The audited financial statements of Unified Communications Sdn Bhd for the financial year ended 31 December 2002 have been reproduced for the purposes of inclusion in the Prospectus, and are set out in the Appendix D to the Prospectus. These financial statements were not prepared for purposes of inclusion in the Prospectus.

The page references in the auditors' report for the financial year ended 31 December 2002 set out on page D-62 of the Prospectus refer to the audited financial statements issued, which have been reproduced and are set out on pages D-41 to D-59.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

DIRECTORS' REPORT

For the financial year ended 31 December 2002

The Directors are pleased to submit their report to the members together with the audited financial statements of the Group and Company for the financial year ended 31 December 2002.

Principal activities

The principal activities of the Company are research and development, software engineering, system integration, project management, and maintenance and support for telecommunication industry. The principal activity of the subsidiary company is described in Note 9 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

Financial results

	Group RM	Company RM
Profit after taxation	15,251,882	15,249,453

Dividends

No dividend has been paid or declared by the Company since 31 December 2001.

The Directors now recommend the payment of a final gross dividend of 20 sen per share on 1,000,200 ordinary shares, less income tax, amounting to RM144,029 which, subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

Reserves and provisions

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

Directors

The Directors who have held office during the period since the date of the last report are as follows:

Wong Tze Leng	
Lum Weng Loy	
Dato' Ahmad Sebi Bakar	(Appointed on 5.12.2002)
Lee Su Nie	(Appointed on 5.12.2002)

Directors' benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' benefits *(cont'd)*

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of any transaction with companies, in which a Director has a substantial financial interest in the ordinary course of business and certain Directors have received remuneration from related corporations in their capacity as directors/executives of those corporations.

Directors' interests in shares

According to the register of Directors' shareholdings, particulars of interests of a Director who held office at the end of the financial year in shares in the Company or its related corporations are as follows:

	Number of ordinary shares of RM1 each			
	At 1.1.2002	Additions	Disposals	At 31.12.2002
Unified Communications Sdn Bhd				
Wong Tze Leng	749,950	0	(700,140)	49,810

	Number of ordinary shares of RM1 each			
	Appointment date	Additions	Disposals	At 31.12.2002
AttrixTech Sdn Bhd				
Wong Tze Leng	1	0	(1)	0

	Number of ordinary shares of S$1 each			
	At 1.1.2002	Additions	Disposals	At 31.12.2002
Unified Communications Pte Ltd				
Wong Tze Leng	749,983	0	(700,000)	49,983

	Number of ordinary shares of S$1 each			
	Appointment date	Additions	Disposals	At 31.12.2002
Attrix Technology Pte Ltd				
Wong Tze Leng	1	0	(1)	0

Directors' interests in shares *(cont'd)*

	Number of ordinary shares of RM1 each			
	At date 1.1.2002	**Acquired**	**Disposed**	**At 31.12.2002**
Advance Synergy Sdn Bhd				
Dato' Ahmad Sebi Bakar	42,471,118	0	0	42,471,118

	Warrants over ordinary shares of RM1 each			
	At date 1.1.2002	**Acquired**	**Exercised**	**At 31.12.2002**
Advance Synergy Sdn Bhd				
Dato' Ahmad Sebi Bakar	21,237,005	0	0	21,237,005

None of the other Directors held any interest in shares in the Company or its related corporations during the financial year.

Statutory information on the financial statements

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and Company to meet their obligations as and when they fall due.

Statutory information on the financial statements *(cont'd)*

At the date of this report, there does not exist:

(a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and Company for the financial year in which this report is made.

Ultimate holding company

The Directors regard Advance Synergy Berhad, a company incorporated in Malaysia, as the Company's ultimate holding company.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 18 April 2003.

Wong Tze Leng
Director

Lum Weng Loy
Director

Kuala Lumpur

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

INCOME STATEMENTS

For the financial year ended 31 December 2002

		Group	Company	
	Note	**2002**	**2002**	2001
		RM	**RM**	RM
Revenue	3	**31,026,023**	**30,903,407**	24,833,584
Cost of sales		**(9,691,294)**	**(9,691,294)**	(7,413,582)
Gross profit		**21,334,729**	**21,212,113**	17,420,002
Technical support and development costs		**(2,833,137)**	**(2,790,860)**	(1,678,681)
Distribution expenses		**(1,524,096)**	**(1,445,837)**	(595,273)
Administrative expenses		**(1,469,273)**	**(1,468,746)**	(1,386,374)
Other operating expenses		**(80,947)**	**(80,947)**	0
Other operating income		**151,962**	**149,586**	0
Profit from operations	4	**15,579,238**	**15,575,309**	13,759,674
Finance cost	5	**(45,856)**	**(45,856)**	(474)
Profit before taxation		**15,533,382**	**15,529,453**	13,759,200
Taxation	6	**(281,500)**	**(280,000)**	(280,000)
Profit after taxation		**15,251,882**	**15,249,453**	13,479,200
Dividend per ordinary share (sen)	7	**20**	**20**	0

The above income statements are to be read in conjunction with the notes to the financial statements on pages D-45 to D-59.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

BALANCE SHEETS

As at 31 December 2002

	Note	Group 2002 RM	Company 2002 RM	Company 2001 RM
Non current assets				
Property, plant and equipment	8	**3,280,095**	**3,278,508**	1,806,958
Investment in a subsidiary company	9	**0**	**2**	0
		3,280,095	**3,278,510**	1,806,958
Current assets				
Inventories	10	**5,744,520**	**5,744,520**	2,057,864
Trade receivables	11	**23,436,209**	**23,395,620**	13,703,117
Other receivables, deposits and prepayments	12	**422,561**	**512,435**	240,286
Deposit placement with a licensed bank	13	**1,700,000**	**1,700,000**	0
Cash and bank balances		**2,504,222**	**2,437,033**	424,379
		33,807,512	**33,789,608**	16,425,646
Less: Current liabilities				
Trade payables	14	**2,681,677**	**2,681,677**	304,160
Other payables and accrued liabilities	15	**1,381,128**	**1,365,568**	594,269
Amount owing to a Director	16	**942,825**	**942,825**	785,673
Taxation		**332,475**	**330,975**	373,445
Term loan (secured)	17	**154,299**	**154,299**	0
Bank overdraft (secured)	18	**7,969**	**7,969**	199,736
		5,500,373	**5,483,313**	2,257,283
Net current assets		**28,307,139**	**28,306,295**	14,168,363
Less: Non current liabilities				
Term loan (secured)	17	**360,031**	**360,031**	0
Deferred taxation	19	**133,000**	**133,000**	133,000
		31,094,203	**31,091,774**	15,842,321
Capital and reserves				
Share capital	20	**1,000,200**	**1,000,200**	1,000,200
Retained earnings		**30,094,003**	**30,091,574**	14,842,121
		31,094,203	**31,091,774**	15,842,321

The above balance sheets are to be read in conjunction with the notes to the financial statements on pages D-45 to D-59.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2002

	Issued and fully paid ordinary shares of RM1 each		Distributable	
	Number of shares	Nominal value	Retained earnings	Total
		RM	RM	RM
Group				
At 1 January 2002	1,000,200	1,000,200	14,842,121	15,842,321
Profit after taxation	0	0	15,251,882	15,251,882
At 31 December 2002	1,000,200	1,000,200	30,094,003	31,094,203
Company				
At 1 January 2002	1,000,200	1,000,200	14,842,121	15,842,321
Profit after taxation	0	0	15,249,453	15,249,453
At 31 December 2002	1,000,200	1,000,200	30,091,574	31,091,774
At 1 January 2001	10,002	10,002	1,362,921	1,372,923
Bonus issue (99:1)	990,198	990,198	0	990,198
Profit after taxation	0	0	13,479,200	13,479,200
At 31 December 2001	1,000,200	1,000,200	14,842,121	15,842,321

The above statements of changes in equity are to be read in conjunction with the notes to the financial statements on pages D-45 to D-59.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

CASH FLOW STATEMENTS

For the financial year ended 31 December 2002

	Note	Group	Company	
		2002	**2002**	2001
		RM	**RM**	RM
Cash flows from operating activities				
Profit after taxation		**15,251,882**	**15,249,453**	13,479,200
Adjustments for:				
Depreciation		**653,667**	**653,554**	317,264
Gain on disposal of property, plant and equipment		**(3,785)**	**(3,785)**	893
Property, plant and equipment written off		**46,960**	**46,960**	0
Interest income		**(5,824)**	**(5,824)**	0
Interest expense		**45,856**	**45,856**	474
Taxation		**281,500**	**280,000**	280,000
		16,270,256	**16,266,214**	14,077,831
Changes in working capital				
Inventories		**(3,779,893)**	**(3,779,893)**	(610,703)
Receivables		**(9,915,367)**	**(9,964,652)**	(12,484,924)
Payables		**3,164,376**	**3,148,816**	658,165
Cash generated from operations		**5,739,372**	**5,670,485**	1,640,369
Interest received		**5,824**	**5,824**	0
Interest paid		**(45,856)**	**(45,856)**	(474)
Taxation paid		**(322,470)**	**(322,470)**	(204,255)
Net cash from operating activities		**5,376,870**	**5,307,983**	1,435,640
Cash flows from investing activities				
Acquisition of a subsidiary company		**0**	**(2)**	0
Proceeds from disposal of property, plant and equipment		**125,978**	**125,978**	2,000
Purchase of property, plant and equipment		**(2,202,720)**	**(2,201,020)**	(1,342,059)
Net cash used in investing activities		**(2,076,742)**	**(2,075,044)**	(1,340,059)
Cash flows from financing activities				
Deposit placement with a licensed bank	13	**(1,700,000)**	**(1,700,000)**	0
Proceeds from term loan		**540,000**	**540,000**	0
Repayments of term loan		**(25,670)**	**(25,670)**	0
Advances from/(repayment to) a Director		**157,152**	**157,152**	(269,960)
Net cash used in financing activities		**(1,028,518)**	**(1,028,518)**	(269,960)
Net increase/(decrease) in cash and cash equivalents during the financial year		**2,271,610**	**2,204,421**	(174,379)
Cash and cash equivalents at beginning of the financial year		**224,643**	**224,643**	399,022
Cash and cash equivalents at end of the financial year	21	**2,496,253**	**2,429,064**	224,643

The above cash flow statements are to be read in conjunction with the notes to the financial statements on pages D-45 to D-59.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the financial year ended 31 December 2002

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements unless otherwise indicated.

A. BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Comparatives are not disclosed upon first application of MASB Standard 24 as the Group has taken advantage of the exemption provided by the Standard for prospective application.

The preparation of financial statements in conformity with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

B. BASIS OF CONSOLIDATION

The Group financial statements include the financial statements of the Company and its subsidiary company made up to the end of the financial year. The subsidiary company is consolidated using the acquisition method of accounting. Under this method, the results of the subsidiary company acquired or disposed during the financial year are included in the consolidated income statement from the date of acquisition or up to the date of its disposal. Where necessary adjustments are made to the financial statements of subsidiary companies to ensure consistency with Group's accounting policy.

The difference between the consideration paid for the shares in the subsidiary company and the fair value of the net separable assets acquired is treated as goodwill or reserve on consolidation as appropriate. Goodwill and reserve on consolidation are taken to the balance sheet.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless cost cannot be recovered.

C. GOODWILL

Goodwill represents the excess of the cost of acquisition of the subsidiary companies over the fair value of the Group's share of their identifiable net assets at the date of acquisition. Goodwill is written off to reserves in the year of acquisition.

D. INVESTMENT IN A SUBSIDIARY COMPANY

A subsidiary company is a company in which the holding company controls the composition of its Board of Directors and/or more than half of the voting power and/or holds more than half of its issued ordinary share capital.

Investment in a subsidiary company is stated at cost unless the Directors are of the opinion that there has been a permanent diminution in value of the investment, in which case, allowance is made for the diminution in value.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

E. RECEIVABLES

Trade receivables are carried at anticipated realisable value. Bad debts are written off in the year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end.

F. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of property, plant and equipment comprises their purchase cost and any incidental costs of acquisition.

Depreciation of property, plant and equipment is calculated so as to write off their cost on a straight line basis over the expected useful lives of the assets concerned. The annual rates are:

	%
Telecommunication equipment	20
Research and development equipment	20
Furniture, fittings and renovation	20
Office equipment	20
Motor vehicle	20

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations.

G. INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and includes all direct purchase and incidental costs required to bring the inventories to their present location and condition. Allowance is made where necessary for obsolete, slow moving and defective inventories. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

H. OPERATING LEASE

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on the straight line basis over the lease period.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

I. DEFERRED TAXATION

Provision is made using the liability method for taxation deferred in respect of all timing differences except where it is considered reasonably probable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax assets are not recognised unless there is a reasonable expectations of their realisation.

J. REVENUE RECOGNITION

Revenue is recognised upon delivery of products and customer acceptance, or performance of services, net of sales returns and discounts.

Revenue and profit from contracts are recognised on an individual contract basis using the percentage of completion method, when the stage of contract completion can be reliably determined, costs to date can be clearly identified, and the total contract revenue to be received and costs to complete can be reliably estimated.

The percentage of completion is estimated by the Company's management with reference to the stage of completion of the work as accepted by the customer.

Where it is probable that a loss will arise from a contract, the excess of total estimated costs over revenue is recognized as an expense immediately.

Revenue from maintenance contracts is recognised on a straight line basis over the period of the respective contracts.

K. FOREIGN CURRENCY TRANSLATION

(a) Foreign operations

Financial statements of foreign operations that are integral to the operations of the Company are translated using procedures in the following paragraph as if the transactions of the foreign operations had been those of the Company.

(b) Foreign currency translation

Foreign currency monetary assets and liabilities are translated to Ringgit Malaysia at rates of exchange ruling on the balance sheet date and foreign currency transactions during the financial year, are converted at rates of exchange ruling on the transaction dates. Differences on exchange are included in the income statement.

The principal closing rates used in translation of foreign currency amounts are as follows:

Foreign currency	**31.12.2002**	3.12.2001
1 US Dollar	**RM3.800**	RM3.800
1 Australian Dollar	**RM2.149**	RM1.939
100 Philippines Peso	**RM7.146**	RM7.364
1 Singapore Dollar	**RM2.212**	RM2.077
1 Brunei Dollar	**RM2.212**	RM2.077

L. CASH AND CASH EQUIVALENTS

For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

M. SHARE CAPITAL

Ordinary shares are classified as equity. External costs directly attributable to the issue of new ordinary shares are shown as a deduction, net of tax, in equity from the proceeds. Dividends on ordinary shares are recognised as liabilities when declared.

N. FINANCIAL INSTRUMENTS

The particular recognition method adopted for financial instruments recognized on the balance sheet are disclosed in the individual policy statements associated with each item.

The carrying values for financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2002

1. GENERAL INFORMATION

The principal activities of the Company are research and development, software engineering, system integration, project management, and maintenance and support for telecommunication industry. The principal activity of the subsidiary company is described in Note 9 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

The number of employees in the Group and Company at the end of the financial year was 106 and 102 (2001: 61) employees.

The immediate holding company of the Group is Worldwide Matrix Sdn Bhd and the ultimate holding company of the Group is Advance Synergy Berhad, both of which are incorporated in Malaysia.

The Company is a private limited company, incorporated and domiciled in Malaysia.

The address of the registered office of the Company is as follows:

Level 3A, Tower Block, Menara Milenium
8, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

The address of the principal place of business of the Company is as follows:

Level 3A, Annexe Block, Menara Milenium
8, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are exposed to a variety of financial risks, including foreign currency exchange risk.

The foreign currency exchange risk arises mainly from the Group's transactions with foreign trade debtors and creditors. The Group monitors the movement in foreign currency exchange rates closely to ensure their exposure are minimised.

The Group's business is not exposed to any significant concentration of credit risk.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group maintains sufficient cash.

3. REVENUE

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Distribution of telecommunication products	**3,078,408**	**2,955,792**	4,158,586
Solution provisioning	**27,947,615**	**27,947,615**	20,674,998
	31,026,023	**30,903,407**	24,833,584

4. PROFIT FROM OPERATIONS

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Profit from operations is stated after charging/(crediting):			
Auditors' remuneration			
— current	**20,000**	**18,000**	15,000
— under provision in respect of prior year	**0**	**0**	3,000
Property, plant and equipment			
— depreciation	**653,667**	**653,554**	317,264
— gain on disposals	**(3,785)**	**(3,785)**	893
— write-off	**46,960**	**46,960**	0
Staff cost	**4,542,700**	**4,466,153**	2,589,424
Rental of premises	**404,089**	**404,089**	181,483
Lease rental	**24,160**	**24,160**	0
Net exchange losses			
— realised	**24,544**	**24,544**	6,649
Allowance for doubtful debts	**48,500**	**48,500**	97,787
Interest income	**(5,824)**	**(5,824)**	0

5. FINANCE COST

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Interest expense on:			
Bank overdraft	**15,287**	**15,287**	474
Term loan	**30,569**	**30,569**	0
	45,856	**45,856**	474

6. TAXATION

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Taxation based on the results for the financial year:			
Malaysian income tax	**281,500**	**280,000**	280,000

The effective tax rate of the Company for the year was lower than the statutory rate prevailing in Malaysia because the Company has been granted pioneer status incentive as a Multimedia Super Corridor status company under the Promotion of Investment Act, 1986 for a period of five years beginning from 21 December 2000 to 20 December 2005.

The Company has sufficient tax credit under section 108 of the Income Tax Act, 1967 and tax exempt income, which subject to agreement with the Inland Revenue Board, are available to frank the payment of net dividends out of all its unappropriated profits at 31 December 2002.

7. DIVIDEND

At the forthcoming Annual General Meeting, a final gross dividend in respect of the financial year ended 31 December 2002 of 20 sen per share (2001: Nil), less income tax, amounting to RM144,029 (2001: Nil) will be proposed for shareholders' approval. These financial statements do not reflect this final dividend, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2003.

8. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

	Telecom-munication equipment	Research and development equipment	Furniture, fittings and renovation	Office equipment	Motor vehicle	Total
	RM	RM	RM	RM	RM	RM
Group:						
2002						
Cost						
At 1 January	280,947	1,336,231	313,545	504,744	0	2,435,467
Additions	125,016	1,001,243	120,747	901,714	54,000	2,202,720
Reclassification	261,355	(261,355)	0	0	0	0
Transfer from inventories	96,452	0	0	0	0	96,452
Write-off	0	0	(77,291)	0	0	(77,291)
Disposals	(136,901)	(15,082)	(83,590)	0	0	(235,573)
At 31 December	626,869	2,061,037	273,411	1,406,458	54,000	4,421,775

8. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

	Telecom-munication equipment RM	Research and development equipment RM	Furniture, fittings and renovation RM	Office equipment RM	Motor vehicle RM	Total RM
Accumulated depreciation						
At 1 January	123,655	307,779	65,350	131,725	0	628,509
Charge for the financial year	54,431	341,505	74,774	178,457	4,500	653,667
Reclassification	21,780	(21,780)	0	0	0	0
Transfer from inventories	3,215	0	0	0	0	3,215
Write-off	0	0	(30,331)	0	0	(30,331)
Disposals	(71,638)	(8,902)	(32,840)	0	0	(113,380)
At 31 December	131,443	618,602	76,953	310,182	4,500	1,141,680
Net book value						
At 31 December 2002	**495,426**	**1,442,435**	**196,458**	**1,096,276**	**49,500**	**3,280,095**
Company:						
2002						
Cost						
At 1 January	280,947	1,336,231	313,545	504,744	0	2,435,467
Additions	125,016	1,001,243	120,747	900,014	54,000	2,201,020
Reclassification	261,355	(261,355)	0	0	0	0
Transfer from inventories	96,452	0	0	0	0	96,452
Write-off	0	0	(77,291)	0	0	(77,291)
Disposals	(136,901)	(15,082)	(83,590)	0	0	(235,573)
At 31 December	626,869	2,061,037	273,411	1,404,758	54,000	4,420,075
Accumulated depreciation						
At 1 January	123,655	307,779	65,350	131,725	0	628,509
Charge for the financial year	54,431	341,505	74,774	178,344	4,500	653,554
Reclassification	21,780	(21,780)	0	0	0	0
Transfer from inventories	3,215	0	0	0	0	3,215
Write-off	0	0	(30,331)	0	0	(30,331)
Disposals	(71,638)	(8,902)	(32,840)	0	0	(113,380)
At 31 December	131,443	618,602	76,953	310,069	4,500	1,141,567
Net book value						
At 31 December 2002	**495,426**	**1,442,435**	**196,458**	**1,094,689**	**49,500**	**3,278,508**

8. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

	Telecom-munication equipment	Research and development equipment	Furniture, fittings and renovation	Office equipment	Motor vehicle	Total
	RM	RM	RM	RM	RM	RM
2001						
Cost						
At 1 January	237,587	583,933	60,934	216,938	0	1,099,392
Additions	43,360	758,283	252,611	287,806	0	1,342,060
Disposals	0	(5,985)	0	0	0	(5,985)
At 31 December	280,947	1,336,231	313,545	504,744	0	2,435,467
Accumulated depreciation						
At 1 January	77,707	172,966	6,093	57,571	0	314,337
Charge for the financial year	45,948	137,905	59,257	74,154	0	317,264
Disposals	0	(3,092)	0	0	0	(3,092)
At 31 December	123,655	307,779	65,350	131,725	0	628,509
Net book value						
At 31 December 2001	157,292	1,028,452	248,195	373,019	0	1,806,958

9. INVESTMENT IN A SUBSIDIARY COMPANY

	Company	
	2002	2001
	RM	RM
Unquoted shares, at cost	**2**	0

On 3 July 2002, the Company paid RM2 in cash to subscribe for 100% equity interest in AttrixTech Sdn Bhd, a newly incorporated company. AttrixTech Sdn Bhd is a limited liability company, incorporated and domiciled in Malaysia.

Information on the subsidiary company is as follows:

Name	Percentage of shareholding 31.12.2002	Country of incorporation	Principal activity	Audited by
AttrixTech Sdn Bhd	100%	Malaysia	Distribution of telecommunication products	PricewaterhouseCoopers, Malaysia

10. INVENTORIES

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Finished goods, at cost	**5,744,520**	**5,744,520**	2,057,864

11. TRADE RECEIVABLES

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Trade receivables	**23,631,414**	**23,590,825**	13,849,822
Less: Allowance for doubtful debts	**(195,205)**	**(195,205)**	(146,705)
	23,436,209	**23,395,620**	13,703,117

The currency exposure profile of trade receivables is as follows:

— Ringgit Malaysia	**2,896,637**	**2,856,048**	2,449,896
— US Dollar	**20,415,515**	**20,415,515**	11,159,733
— Singapore Dollar	**—**	**—**	4,146
— Brunei Dollar	**319,262**	**319,262**	236,047
	23,631,414	**23,590,825**	13,849,822

Credit terms of trade receivables range from payment in advance to 90 days.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are internationally dispersed. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

Included in the trade receivables are the following:

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Amount owing by ultimate holding company	**9,950**	**9,950**	0
Amount owing by subsidiary company	**0**	**14,297**	0
Amount owing by a related company	**9,781,686**	**9,781,686**	9,068,721

The amounts owing by ultimate holding company, subsidiary company and a related company are unsecured and interest-free.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Other receivables	**513,400**	**616,954**	283,168
Less: Allowance for doubtful debts	**(217,603)**	**(217,603)**	(217,603)
	295,797	**399,351**	65,565
Deposits	**54,280**	**54,280**	167,538
Prepayments	**72,484**	**58,804**	7,183
	422,561	**512,435**	240,286

Included in the other receivables are the following:

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Amount owing by subsidiary company	**0**	**103,554**	0
Amount owing by a related company	**173,924**	**173,924**	2,488

The amounts owing by subsidiary company and a related company are unsecured and interest-free.

13. DEPOSIT PLACEMENT WITH A LICENSED BANK

This deposit placement with licensed bank is excluded from the cash and cash equivalent balance for cash flow statement purposes as this balance is placed under lien for a term loan and other banking facilities obtained by the Company during the financial year. The interest rate ranged between 7.90% to 8.15% (2001: 7.9%) per annum.

14. TRADE PAYABLES

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Trade payables	**2,681,677**	**2,681,677**	304,160

The currency exposure profile of trade payables is as follows:

— Ringgit Malaysia	**257,591**	**257,591**	193,821
— US Dollar	**2,404,785**	**2,404,785**	110,339
— Australia Dollar	**19,301**	**19,301**	0
	2,681,677	**2,681,677**	304,160

14. TRADE PAYABLES *(cont'd)*

Credit terms of trade payables granted to the Group vary from no credit to 30 days.

Included in the trade payables is the following:

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Amount owing to a related company	**210,157**	**210,157**	0

The amount owing to a related company is unsecured and interest-free.

15. OTHER PAYABLES AND ACCRUED LIABILITIES

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Other payables	**296,539**	**280,979**	78,875
Deposit payables	**17,178**	**17,178**	3,770
Accrued expenses	**1,067,411**	**1,067,411**	511,624
	1,381,128	**1,365,568**	594,269

16. AMOUNT OWING TO A DIRECTOR

Amount owing to a Director is unsecured, interest-free and has no fixed terms of repayment.

17. TERM LOAN (SECURED)

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Current:			
Repayable within 12 months	**154,299**	**154,299**	0
Non current:			
Repayable after 12 months:			
— between 1 and 2 years	**154,299**	**154,299**	0
— between 2 and 5 years	**205,732**	**205,732**	0
	360,031	**360,031**	0
	514,330	**514,330**	0

17. TERM LOAN (SECURED) *(cont'd)*

This term loan is repayable in 42 monthly installments of RM16,468 each commencing November 2002

This term loan is secured by way of:

(i) memorandum of deposit for RM300,000 which represents 50% fixed deposit under lien for the first loan disbursement of RM600,000.

(ii) debenture charge created for total term loan approved of RM2,400,000 on the Company's present and future fixed and floating assets.

(iii) jointly and severally guarantee by the Company's directors for RM2,400,000.

(iv) proportionate guarantee by a shareholder of the Company up to RM600,000.

The interest rate for the financial year was 8.15% (2001: Nil) per annum for the Group and the Company.

18. BANK OVERDRAFT (SECURED)

The interest charged during the year was 8.15% (2001: 7.9% to 8.3%) per annum. The bank overdraft is one of the facilities secured by way of:

(i) memorandum of deposit for fixed deposit of RM500,000;

(ii) debenture charge for RM3,300,000 on the Company's present and future fixed and floating assets;

(iii) jointly and severally guarantee by the Company's Directors for RM3,300,000; and

(iv) proportionate guarantee by a shareholder of the Company up to RM825,000.

19. DEFERRED TAXATION

	Group	**Company**	
	2002	**2002**	2001
	RM	**RM**	RM
At 1 January/31 December	**133,000**	**133,000**	133,000

Deferred taxation has been provided for all timing differences.

The timing differences giving rise to the deferred tax liabilities is analysed as follows:

	Group	**Company**	
	2002	**2002**	2001
	RM	**RM**	RM
Excess of capital allowance over depreciation	**133,000**	**133,000**	133,000

20. SHARE CAPITAL

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Authorised ordinary shares of RM1 each:			
At 1 January	**5,000,000**	**5,000,000**	100,000
Created during the financial year	**0**	**0**	4,900,000
At 31 December	**5,000,000**	**5,000,000**	5,000,000

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Cash and bank balances	**2,504,222**	**2,437,033**	424,379
Bank overdraft (Note 19)	**(7,969)**	**(7,969)**	(199,736)
	2,496,253	**2,429,064**	224,643

The currency exposure profile of cash and bank balance is as follows:

— Ringgit Malaysia	**2,371,511**	**2,304,322**	100,674
— Philippines Pesos	**124,742**	**124,742**	123,969
	2,496,253	**2,429,064**	224,643

22. CAPITAL COMMITMENTS

(a) Capital expenditure in respect of renovation work:

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Authorised and contracted for	**0**	**0**	69,878

(b) Non-cancellable lease commitments

	Group	Company	
	2002	**2002**	2001
	RM	**RM**	RM
Within one year	**425,709**	**425,709**	350,955
More than one year and not more than 5 years	**327,567**	**327,567**	380,716
	753,276	**753,276**	731,671

23. SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties.

The immediate holding company of the Group is Worldwide Matrix Sdn Bhd, a company incorporated in Malaysia. The ultimate holding company of the Group is Advance Synergy Berhad, a company incorporated in Malaysia.

	Group	**Company**	
	2002	**2002**	2001
	RM	**RM**	RM
Sale of software systems to a related company	**7,052,315**	**7,052,315**	10,688,270
Purchase of research and development equipment from related companies	**1,264,505**	**1,264,505**	687,124
Purchase of telecommunication products from related companies	**4,958,273**	**4,958,273**	5,882,003

The terms of the above transactions are established by negotiation between the parties.

24. COMPARATIVE FIGURES

The comparative figures for revenue have been restated to reflect the main segments within the Group's principal activities.

	As previously reported	**Effect of reclassification**	**As restated**
	RM	**RM**	**RM**
2001			
Company			
Sale of equipment	10,677,298	(10,677,298)	0
Sale of software systems	12,575,741	(12,575,741)	0
Revenue sharing income	1,580,545	(1,580,545)	0
Solution provisioning	0	20,674,998	20,674,998
Distribution of telecommunication products	0	4,158,586	4,158,586
	24,833,584	0	24,833,584

Revenue generated from solution provisioning is from the development and supply of proprietary telecommunications solutions. It comprises sale of equipment, software systems and revenue sharing income.

Revenue generated from distribution of telecommunication products comprises sale from distribution of third party telecommunications products and components.

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Wong Tze Leng and Lum Weng Loy, being two of the Directors of Unified Communications Sdn Bhd, state that, in the opinion of the Directors, the financial statements set out on pages D-41 to D-59 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2002 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 18 April 2003.

Wong Tze Leng
Director

Lum Weng Loy
Director

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Wong Tze Leng, being the Director primarily responsible for the financial management of Unified Communications Sdn Bhd, do solemnly and sincerely declare that the financial statements set out on pages D-41 to D-59 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Wong Tze Leng
Director

Subscribed and solemnly declared at Kuala Lumpur on 18 April 2003.
Before me:

Commissioner for Oath

UNIFIED COMMUNICATIONS SDN BHD (459754-P)

(Incorporated in Malaysia)

REPORT OF THE AUDITORS TO THE MEMBERS OF UNIFIED COMMUNICATIONS SDN BHD (4599754-P)

(Incorporated in Malaysia)

We have audited the financial statements set out on pages D-41 to D-59. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:

  (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

  (ii) the state of affairs of the Group and Company as at 31 December 2002 and of the results and cash flows of the Group and Company for the financial year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

Our auditors' report on the financial statements of the subsidiary were not subject to any qualification and did not include any comment made under subsection 3 of section 174 of the Act.

PricewaterhouseCoopers
(AF: 1146)
Chartered Accountants

Shirley Goh
(1778/08/04 (J))
Partner

Kuala Lumpur
18 April 2003

APPENDIX E

MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY

The discussion below provides information about certain provisions of our Memorandum and Articles of Association and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Articles. Where portions of our Articles are reproduced below, defined terms bear the meanings ascribed to them in the Articles.

The instruments that constitute and define our Company are the Memorandum and Articles of Association of our Company.

1. MEMORANDUM OF ASSOCIATION AND REGISTRATION NUMBER

The registration number with which our Company was incorporated is 200211129W. Pursuant to our Memorandum of Association and the law, the liability of Shareholders is limited to the amount, if any, for the time being unpaid on the shares respectively held by them. Our Memorandum of Association also sets out the objects for which our Company was formed and the powers of our Company, including the powers set out in the Third Schedule to the Singapore Companies Act.

2. DIRECTORS

(a) Powers of Directors to contract with Company and holding of office in other companies

Power of Directors to contract with Company

95. (1) No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company either as vendor, purchaser or otherwise nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors in contracts or proposed contracts with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director and any contract or arrangement to be entered into by or on behalf of the Company in which any Director shall be in any way interested shall be subject to any requirements that may be imposed by the SGX-ST. No Director shall vote in respect of any contract, arrangement or transaction in which he is so interested as aforesaid or in respect of any allotment of shares in or debentures of the Company to him and if he does so vote his vote shall not be counted but this prohibition as to voting shall not apply to:–

(i) any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company; or

(ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or

(iii) any contract by him to subscribe for or underwrite shares or debentures of the Company;

(iv) any contract or arrangement with any other company, corporation or body in which he is interested only as a director or other officer or creditor of or as a shareholder in or beneficially interested in the shares thereof; or

(v) the adoption or amendment of any share option scheme, other share incentive scheme or reward scheme notwithstanding that he may be eligible to participate in such schemes provided that he shall not vote on any resolution concerning the grant of any option, shares or any other incentive, reward or benefit to himself.

Holding of office in other companies

96. (1) A Director may hold any other office or place of profit under the Company (except that of Auditor) and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director, and on such terms as to remuneration and otherwise as the Directors shall determine. A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as vendor, purchaser, shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.

Exercise of voting power

(2) The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.

(b) Remuneration

Fees

91. (1) The fees of the Directors shall be determined from time to time by the Company in General Meetings and such fees shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office.

Extra remuneration

(2) Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which, in the opinion of the Directors, are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article.

Remuneration of Director

(3) Notwithstanding Article 91(2), the remuneration in the case of a Director other than an Executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or percentage of turnover.

Expenses

92. The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

Pensions to Directors and Dependents

93. Subject to the Act, the Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director or former Director who had held any other salaried office or place of profit with the Company or to his widow or dependants or relations or connections and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Benefits for employees

94. The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme or any other scheme whatsoever for the benefit of and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of the predecessors in business of the Company or of any subsidiary company, and the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs,

funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its Members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

(c) Borrowing

Directors' borrowing powers

123. The Directors may at their discretion exercise every borrowing power vested in the Company by its Memorandum of Association or permitted by law and may borrow or raise money from time to time for the purpose of the Company and secure the payment of such sums by mortgage, charge or hypothecation of or upon all or any of the property or assets of the Company including any uncalled or called but unpaid capital or by the issue of debentures (whether at par or at discount or premium) or otherwise as they may think fit.

(d) Retirement Age Limit and Shareholding Qualification

Qualifications

90. A Director need not be a Member and shall not be required to hold any share qualification in the Company and shall be entitled to attend and speak at General Meetings but subject to the provisions of the Act he shall not be of or over the age of 70 years at the date of his appointment.

3. SHARE RIGHTS AND RESTRICTIONS

Our Company currently has one class of shares, namely, ordinary shares.

(a) Dividends and distribution

Payment of dividends

128. The Directors may, with the sanction of the Company, by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company, save as otherwise permitted by the Act.

Apportionment of dividends

129. Subject to the rights of holders of shares with special rights as to dividend (if any), all dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the amount paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly.

Payment of preference and interim dividends

130. Notwithstanding Article 129, if, and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may pay fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit.

Unclaimed dividend

136. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever.

Payment of dividends in specie

137. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

Distribution of assets in specie

163. If the Company is wound up (whether the liquidation is voluntary, under supervision or by the Court) the Liquidator may, with the authority of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority thinks fit, and the liquidation of the Company may be closed and the Company dissolved, but no Member shall be compelled to accept any shares or other securities in respect of which there is a liability.

(b) Rights, Preferences and Restrictions

Variation of rights of shares

10. (1) If at any time the share capital is divided into different classes, the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate General Meeting the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply; but so that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll. Provided always that where the necessary majority for such a Special Resolution is not obtained at the General Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the General Meeting shall be as valid and effectual as a Special Resolution carried at the General Meeting.

Rights of Preference Shareholders

(2) The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholder rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned. PROVIDED ALWAYS that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.

Creation or issue of further shares with special rights

11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by these Articles as are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

Form of transfer of shares

21. Subject to these Articles, any Member may transfer all or any of his shares but every instrument of transfer of the legal title in shares must be in writing and in the form for the time being approved by the Directors and the SGX-ST. Shares of different classes shall not be comprised in the same instrument of transfer. The Company shall accept for registration transfers in the form approved by the SGX-ST.

Execution

22. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository shall not be ineffective by reason of it not being signed or witnessed for by or on behalf of the Depository. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members.

Person under disability

23. No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Directors' power to decline to register

24. (1) Subject to these Articles, the Act or as required by the SGX-ST, there shall be no restriction on the transfer of fully paid up shares (except where required by law or the rules, bye-laws or listing rules of the SGX-ST) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall give to both the transferor and the transferee written notice of their refusal to register as required by the Act.

Terms of registration and transfers

(2) The Directors may decline to register any instrument of transfer unless:–

(i) such fee not exceeding S$2 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock SGX-ST upon which the shares of the Company may be listed) as the Directors may from time to time require, is paid to the Company in respect thereof;

(ii) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and

(iii) the instrument of transfer is in respect of only one class of shares.

Closing of Register

26. The Register of Members and the Depository Register may be closed at such times and for such period as the Directors may from time to time determine, provided always that the Registers shall not be closed for more than thirty days in the aggregate in any year. Provided Always that the Company shall give prior notice of such closure as may be required to the SGX-ST, stating the period and purpose or purposes for which the closure is made.

Renunciation of allotment

27. (1) Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

Indemnity against wrongful transfer

(2) Neither the Company nor its Directors nor any of its Officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other Officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

Calls on shares

32. The Directors may from time to time make such calls as they think fit upon the Members in respect of any money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

Time when made

33. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

Interest on calls

34. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

Sum due to allotment

35. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue and allotment of a share becomes payable upon allotment or at any fixed date shall for all purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Power to differentiate

36. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments.

Payment in advance of calls

37. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate not exceeding without the sanction of the Company in General Meeting ten per cent per annum as the Member paying such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide.

4. GENERAL MEETINGS

Annual general meeting

60. (1) Subject to the provisions of the Act, the Company shall in each year hold a General Meeting in addition to any other meetings in that year to be called the Annual General Meeting, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.

Extraordinary general meetings

(2) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

Calling of extraordinary general meetings

61. (1) The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

(2) The time and place of any meeting shall be determined by the convenors of the meeting.

Notice of meetings

62. (1) Subject to the provisions of the Act as to Special Resolutions and special notice and the calling of meetings at short notice, at least fourteen days' notice in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained entitled to receive notice from the Company. Where notices contain Special Resolutions, they must be given to shareholders at least twenty-one days before the meeting. At least fourteen days' notice of any such meeting shall be given by advertisement in the daily press and in writing to the SGX-ST. Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:–

(i) in the case of an Annual General Meeting by all its members entitled to attend and vote thereat; and

(ii) in the case of an Extraordinary General Meeting by that number or majority in number of members having a right to attend and vote thereat as is required by the Act.

(2) The accidental omission to give notice to, or the non-receipt by any person entitled thereto, shall not invalidate the proceedings at any General Meeting.

Contents of Notice

63. (1) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member of the Company.

Notice of Annual General Meeting

(2) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

Nature of special business to be specified

(3) In the case of any General Meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.

Special business

64. All business shall be deemed special that is transacted at any Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of sanctioning a dividend, the consideration of the accounts and balance sheet and the reports of the Directors and Auditors, and any other documents required to be annexed to the balance sheet, electing Directors in place of those retiring by rotation or otherwise and the fixing of the Directors' remuneration and the appointment and fixing of the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.

Quorum

65. No business shall be transacted at any General Meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, two Members present in person shall form a quorum. For the purpose of this Article, ''Member'' includes a person attending by proxy or by attorney or as representing a corporation which is a Member. Provided that (i) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum; and (ii) where a Member is represented by more than one proxy such proxies shall count as only one Member for the purpose of determining the quorum.

Adjournment if quorum not present

66. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.

Resolutions in writing

67. Subject to the Act, a resolution in writing signed by every Member of the Company entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an Ordinary Resolution of the Company passed at a General Meeting duly convened, held and constituted, and may consist of several documents in the like form, each signed by one or more of such Members.

Chairman

68. The Chairman of the Directors or, in his absence, the Deputy Chairman (if any) shall preside as Chairman at every General Meeting. If there is no such Chairman or Deputy Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act, the Members present shall choose some Director to be Chairman of the meeting or, if no Director is present or if all the Directors present decline to take the Chair, some Member present to be Chairman.

Adjournment

69. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Method of voting

70. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:–

(i) by the Chairman of the meeting; or

(ii) by at least two Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative and entitled to vote thereat; or

(iii) by any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or

(iv) by a Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Provided always that no poll shall be demanded on the election of a Chairman or on a question of adjournment. Unless a poll is so demanded (and the demand is not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.

Taking a poll

71. If a poll is duly demanded (and the demand is not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may, and if so requested shall, appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

Votes counted in error

72. If any votes are counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman be of sufficient magnitude.

Chairman's casting vote

73. Subject to the Act and the requirements of the SGX-ST, in the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a Member or as proxy of a Member.

Continuance of business after demand for a poll

75. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question on which the poll has been demanded.

5. CHANGE IN CAPITAL

Power to increase capital

50. The Company in General Meeting may from time to time by Ordinary Resolution, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its capital by the creation of new shares of such amount as may be deemed expedient.

Rights and privileges of new shares

51. Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of these Articles and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.

Issue of new shares to Members

52. (1) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the SGX-ST's listing rules, all new shares shall before issue be offered to the Members in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.

(2) Notwithstanding Article 52(1) above but subject to the Act, the Directors shall not be required to offer any new shares to Members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

New shares otherwise subject to the provisions of Articles

53. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the original ordinary capital of the Company and shall be subject to the provisions of these Articles with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

Power to consolidate, cancel and subdivide shares

54. (1) The Company may by Ordinary Resolution:–

(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(ii) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled;

(iii) subdivide its shares or any of them into shares of a smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Act), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(iv) subject to the provisions of these Articles and the Act, convert any class of shares into any other class of shares.

Power to purchase or acquire shares

(2) Subject to and in accordance with the provisions of the Act, listing rules of the SGX-ST and any applicable legislation or regulation, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire any of its issued ordinary shares on such terms as the Company may think fit and in the manner prescribed by the Act. All shares repurchased or otherwise reacquired by the Company shall be cancelled in accordance with the provisions of the Act. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may deal with any such share which is so purchased or acquired by it in such manner as may be permitted by the Act.

Power to reduce share capital

55. The Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or share premium account in any manner and subject to any incident authorised and consent required by law.

6. LIMITATIONS ON SHAREHOLDERS REGARDED AS NON-RESIDENTS OF SINGAPORE

There are no limitations imposed by Singapore law or by our Articles on the rights of non-resident Shareholders to hold our Shares or to vote.

APPENDIX F

DESCRIPTION OF OUR SHARES

The discussion below provides information about our share capital, the main provisions of our Articles and the laws of Singapore relating to our shares. This description is only a summary and is qualified by reference to Singapore law and our Articles.

Ordinary Shares

Pursuant to the Restructuring Exercise, our authorised capital is S$50,000,000 consisting of 625,000,000 ordinary shares of par value S$0.08 each. We have only one class of shares, namely, our ordinary shares, which have identical rights in all respects and rank equally with one another. Our Articles provide that we may issue shares of a different class with preferential, qualified or deferred right to dividends and in the distribution of assets of our Company and with special or restricted right of voting, privileges or conditions as our Board may determine and may issue preference shares which are, or at our option are, liable to be redeemed, subject to certain limitations. Our Directors may issue shares at a premium. If shares are issued at a premium, a sum equal to the aggregate amount or value of the premium will be transferred to a share premium account.

All of our Shares are in registered form. We may, subject to the provisions of the Act and the rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Act, grant any financial assistance for the acquisition or proposed acquisition of our own Shares.

New Shares

New Shares may only be issued with the prior approval of our Shareholders in a general meeting. The approval, if granted, will lapse at the conclusion of the Annual General Meeting (''AGM'') following the date on which the approval was granted. Our Shareholders have given us general authority to issue any remaining approved but unissued Shares prior to our next AGM. Subject to the foregoing, the provisions of the Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Board who may allot and issue the same with such rights and restrictions as it may think fit. Our Shareholders are not entitled to pre-emptive rights under our Articles or Singapore law.

Shareholders

Only persons who are registered in our register of shareholders and, in cases in which the person so registered is the CDP, the persons named as the depositors in the depository register maintained by the CDP for our Shares, are recognised as our Shareholders.

We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of the Share or of the person whose name is entered in the depository register for that Share. We may close the Register of Shareholders from time to time if we provide the Registrar of Companies and Businesses of Singapore with at least 14 days notice and the SGX-ST at least 10 clear Market Days notice. However, the Register may not be closed for more than 30 days in aggregate in any calendar year.

Transfer of Shares

Save as disclosed in this Prospectus, there is no restriction on the transfer of our fully paid Shares except where required by law or the rules, bye-laws or existing rules of the SGX-ST. Our Board may only decline to register any transfer of Shares which are not fully paid Shares or Shares on which we have a lien. Our Shares may be transferred by a duly signed instrument of transfer in any form acceptable to our Board and SGX-ST. Our Board may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for our Shares if we are properly notified and if the applicant pays a fee which will not exceed S$2.00 and furnishes any evidence and indemnity that our Board may require.

General Meetings of Shareholders

We are required to hold an AGM every year. Our Board may convene an EGM whenever it thinks fit and must do so if Shareholders representing not less than 10% of the total voting rights of all Shareholders request in writing that such a meeting be held. In addition, two or more Shareholders holding not less than 10% of our issued share capital may call a meeting. Unless otherwise required by Singapore law or by our Articles, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of Directors. A special resolution, requiring the affirmative vote of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including the voluntary winding up of our Company, amendments to our Memorandum and Articles of Association, a change of our corporate name and a reduction in our share capital, share premium account or capital redemption reserve fund.

Voting Rights

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy need not be a Shareholder. A person who holds Shares through the CDP book-entry clearance system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting.

Except as otherwise provided in our Articles, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles, on a show of hands, every Shareholder present in person shall have one vote and, on a poll, every Shareholder present in person or by proxy shall have one vote for each Share held. A poll may be demanded in certain circumstances, including by the chairman of the meeting, by any Shareholder present in person or by proxy and representing not less than 10 per cent. of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by any two Shareholders present in person or by proxy and entitled to vote.

Dividends

Our Directors may, with the sanction of the Shareholders by ordinary resolution, declare dividends, but we may not pay dividends in excess of the amount recommended by our Board. Any dividend we pay must be paid out of our profits or pursuant to Section 69 of the Act. Our Directors may also declare an interim dividend. All dividends are paid *pro rata* among the Shareholders in proportion to the amount paid upon each shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his last registered address.

Bonus and Rights Issue

Our Shareholders at a general meeting may, upon the recommendation of our Director, capitalise any reserves or profits (including profit or monies carried and standing to any reserve or to the share premium account) and distribute the same as bonus shares credited as paid-up to our Shareholders in proportion to their shareholdings. Our Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue.

APPENDIX G

TAXATION

The following is a discussion of certain tax matters relating to the Singapore income tax, capital gains tax, stamp duty and estate duty consequences of the purchase, ownership and disposal of our Shares. The discussion is limited to a general description of certain tax consequences in Singapore with respect to the ownership of our Shares and is based on laws, regulations and interpretations now in effect and available as of the date of this Prospectus. The laws, regulations and interpretations, however, may change at any time, and any change could be retroactive to the date of issuance of our Shares. These laws and regulations are also subject to various to various interpretations and the relevant tax authorities or the courts of Singapore could later disagree with the explanations or conclusions set out below.

Prospective purchasers of our Shares should consult their tax advisors concerning the tax consequences of owning and disposing the Shares. Neither our Company, our Directors nor any other persons involved in the Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription fee, purchase, holding or disposal of the Shares.

Singapore Income Tax

General

Singapore resident taxpayers, including individuals who are residing in Singapore and companies, which are controlled or managed in Singapore, are subject to Singapore income tax on income that is accrued in or derived from Singapore and on foreign income received or deemed received in Singapore.

A company is considered tax resident in Singapore if the company's business is controlled or managed in Singapore (for example, if the board of directors meets and conducts the company's business in Singapore). An individual is regarded as tax resident in Singapore in a year of assessment if, in the preceding year, he had resided in Singapore or was physically present or who had exercised an employment in Singapore (other than as a director of a company) for 183 days or more in a calendar year.

Non-Singapore resident corporate taxpayers, subject to certain exceptions, is subject to Singapore income tax on income that is accrued in or derived from Singapore and on foreign income received or deemed received in Singapore by the business operations that it has in Singapore.

A non-Singapore resident individuals, subject to certain exceptions, is subject to Singapore income tax on income that is accrued in or derived from Singapore and on foreign income received in Singapore.

The corporate tax rate in Singapore is 24.5 per cent. for YA2002, i.e., financial year ended 31 December 2001. For YA 2003, the applicable rate is 22 per cent. with certain exemptions for the first S$100,000 of chargeable income.

The Government has announced, that the corporate tax rate will be reduced to 22 per cent. with effect from YA 2003, i.e., FY2002 and its intention to reduce the corporate tax rate to 20 per cent. in 3 years.

For a Singapore tax resident individual, the rate of tax will vary according to the individual's circumstances but is subject to a maximum rate of 26 per cent. with effect from YA2002, i.e., calendar year 2001. A 10 per cent. tax rebate will be granted for YA2002. The Government has announced, that with effect from YA2003, the highest tax bracket will be reduced from 26.0 per cent. to 22 per cent. and its intention to reduce the top individual tax rate to 20 per cent. in 3 years. Subject to any applicable tax treaty, non-resident taxpayers are subject to withholding tax at the Singapore corporate tax rate on certain types of income deemed derived in Singapore. In the case of interest, royalties and rentals of moveable equipment, this is generally 15 per cent.

Dividend Distributions

Shareholders are taxed in Singapore on the gross amount of dividends, which is the cash amount of the dividend plus the amount of corporate tax paid by our company on the profits out of which those dividends are paid. Under current Singapore's taxation system, the tax paid by our Company at the prevailing corporate tax rate is deemed to be paid by its shareholders and thus, its shareholders received dividends net of the tax paid by our Company. The corporate tax paid by our Company effectively becomes available to our shareholders as a tax credit to offset their overall Singapore income tax liability. If the amount of Singapore tax payable by the shareholder is less than the tax credit, the shareholder will be entitled to a refund on the difference from the Inland Revenue Authority of Singapore.

A non-resident shareholder is effectively taxed on dividends at the corporate tax rate. Thus, no further Singapore income tax will be imposed on the net dividend received by a non-resident holder of our Shares. Further, the non-resident shareholder will normally not receive any tax refund from the Inland Revenue Authority of Singapore, even though he has deductible expenses attributable to such dividend income.

No withholding tax is imposed for dividend payments made to non-resident shareholders.

The Government has announced that Singapore will move to a ''one-tier'' corporate tax system with effect from 1 January 2003. Under this proposed system, the tax collected from corporate profits is final and Singapore dividends are tax exempt in the hands of the shareholder, regardless of whether this is a corporate or individual shareholder and whether the shareholder is a Singapore tax resident. However, there is a five-year transition period for a Singapore resident company to shift to the one-tier corporate taxation system.

To enable companies to make full use of the balance of tax credits as at 31 December 2002, the Inland Revenue Authority of Singapore will allow companies to continue to pay dividends under the current system until all the balance of the tax credits as at 31 December 2002 is depleted, or if and when the company exercises its option to immediately migrate to the one-tier corporate tax system, or 31 December 2007 whichever is the earliest.

Capital Gains Tax

There is no tax on capital gains in Singapore. Gains may be construed to be of an income nature and subject to tax if they arise from activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade in Singapore.

Stamp Duty

No stamp duty is payable on the subscription of our Shares. Where existing shares in a Singapore company are transferred however, stamp duty is payable on the instrument of transfer at the rate of S$2.00 for every S$1,000 market value or consideration paid, whichever is the higher. The purchaser is liable for stamp duty, unless otherwise agreed. Stamp duty is not payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if an instrument of transfer which is executed outside Singapore is brought into Singapore. Stamp duty is not applicable on the electronic transfer of shares through the CDP system.

Estate Duty

For death occurring on or after 1 Jan 2002, Singapore estate duty is imposed on the value of immovable property situated in Singapore owned by individuals who are not domiciled in Singapore, subject to specific exemption limits. Singapore estate duty is imposed on the value of immovable property situated in Singapore and on movable property, wherever it may be, owned by individuals who are domiciled in Singapore, subject to specific exemption limits. Our Shares are considered to be movable property situated in Singapore as we are incorporated in Singapore.

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APPENDIX H

TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION

You are invited to apply and subscribe for and/or purchase the Invitation Shares at the Invitation Price for each Invitation Share subject to the following terms and conditions:–

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 INVITATION SHARES AND HIGHER INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF INVITATION SHARES WILL BE REJECTED.**

2. Your application for Offer Shares may be made by way of printed Offer Shares Application Forms or by way of Electronic Applications through ATMs of the Participating Banks (''ATM Electronic Applications'') or through the Internet Banking (''IB'') websites of the relevant Participating Banks (''IB Applications'').

   Your application for Internet Placement Shares (''Internet Placement Application'') may only be made by way of an application through the IPO website at ''www.ePublicOffer.com'' if you have a valid membership account with the IPO Website Operator. IB Applications and Internet Placement Applications (collectively, the ''Internet Electronic Applications''), together with ATM Electronic Applications, shall be referred to as ''Electronic Applications''. The term ''we'' in this Appendix refers to our Company and the Vendor, and the terms ''our'' and ''us'' have correlative meanings.

   Your application for the Placement Shares (other than the Internet Placement Shares) may only be made by way of Placement Shares Application Forms. **YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE INVITATION SHARES.**

3. **You (being other than an approved nominee company) are allowed to submit ONLY one application in your own name for:**

   (a) **the Offer Shares by any one of the following:–**

      (i) **Offer Shares Application Form;**

      (ii) **ATM Electronic Application; or**

      (iii) **IB Application,**

   (b) **the Placement Shares by any one of the following:—**

      (i) **Placement Shares Application Form; or**

      (ii) **Internet Placement Application.**

   If more than one application is submitted for either the Offer Shares or Placement Shares, such separate applications shall be deemed to be multiple applications and shall be rejected.

   If you have made an application for Placement Shares, you should not make any application for Offer Shares and *vice versa.* Such separate applications shall be deemed to be multiple applications and shall be rejected.

   JOINT OR MULTIPLE APPLICATIONS SHALL BE REJECTED. If you submit or procure submissions of multiple share applications for Offer Shares, Placement Shares or both Offer Shares and Placement Shares, you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, Chapter 289 of Singapore, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications will be liable to be rejected at our discretion.

4. We will not accept applications from any person under the age of 21 years, undischarged bankrupts, sole-proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks or the IPO Website Operator, as the case may be) bear post office box numbers.

   In addition, applicants who wish to subscribe for and/or purchase the Placement Shares through the IPO website (a) must not be corporations, sole proprietorships, partnerships or any other business entities; (b) must be over the age of 21 years; (c) must not be undischarged bankrupts; (d) must apply for the Placement Shares in Singapore; (e) must have a mailing address in Singapore; and (f) must be customers who maintain valid membership accounts with the IPO Website Operator.

5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/their own name(s) and without qualification or, where the application is made by way of an Application Form, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 6 below.

6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.

7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars, such as name, NRIC/passport number, nationality and permanent residence status provided in your Application Form or in the records of the relevant Participating Bank or the IPO Website Operator at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.

8. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank or the IPO Website Operator, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.**

9. **We reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Form or the instruction for Electronic Applications and in this Prospectus or with the terms and conditions of this Prospectus, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance. We further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Prospectus, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**

10. We reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and we will not entertain any enquiry and/or correspondence on our decision. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment, we will give due consideration to the desirability of allotting the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.

11. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Invitation Shares allotted to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by us. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue or transfer of the Invitation Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.

12. In the event of an under-subscription for the Offer Shares as at the close of the Application List, we will make available that number of Offer Shares not subscribed for and/or purchased to satisfy excess applications for Placement Shares to the extent that there is an over-subscription for Placement Shares as at the close of the Application List.

    In the event of an under-subscription for the Placement Shares as at the close of the Application List, we will make available that number of Placement Shares not subscribed for to satisfy excess applications for Offer Shares to the extent that there is an over-subscription for Offer Shares as at the close of the Application List.

    In the event of an under-subscription for the Internet Placement Shares to be applied for through the IPO website as at the close of the Application List, we will make available that number of Internet Placement Shares not subscribed for and/or purchased to satisfy excess applications for Placement Shares by way of Placement Shares Application Forms to the extent that there is an oversubscription for such Placement Shares as at the close of the Application List or to satisfy excess applications for the Offer Shares, to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

    In the event of an over-subscription for Offer Shares and/or Placement Shares (including the Internet Placement Shares) as at the close of the Application List, the successful applications for Offer Shares will be determined by ballot or otherwise as determined by our Directors and approved by the SGX-ST.

    In all of the above instances, the basis of allotment of the Invitation Shares as may be decided upon by our Company in ensuring a reasonable spread of shareholders of our Company, shall be made public, as soon as is practicable, via an announcement through the SGX-ST and through a paid advertisement in a local newspaper.

13. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Invitation Shares allotted to you pursuant to your application, to our Company, the Vendors, the Joint Lead Managers, the Joint Lead Placement Agents and Joint Lead Underwriters and any other parties so authorised as the foregoing persons.

14. Any reference to the ''you'' in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Offer Shares by way of an Offer Share Application Form, an ATM Electronic Application or an IB Application; an individual, a corporation, an approved nominee and trustee applying for the Placement Shares through the Joint Lead Placement Agents by way of a Placement Shares Application Form or the Internet Placement Shares by way of an Internet Placement Application through the IPO website.

15. By completing and delivering an Application Form or by making and completing an Electronic Application by (in the case of an ATM Electronic Application) pressing the ''Enter'' or ''OK'' or ''Confirm'' or ''Yes'' key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking ''Submit'' or ''Continue'' or ''Yes'' or ''Confirm'' on the IB website screen or IPO website screen (as the case may be) in accordance with the provisions of this Prospectus, you:–

    (a) irrevocably offer to subscribe for and/or purchase the number of Invitation Shares specified in your application (or such smaller number for which the application is accepted) at the Issue Price and agree that you will accept such Invitation Shares as may be allotted to you, in each case on the terms of this Prospectus and on the terms of the conditions set out in, this Prospectus and the Memorandum and Articles of Association of our Company;

    (b) agree that in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and those set out in the IPO website, or the IB websites or ATMs of the Participating Banks, the terms and conditions set out in this Prospectus shall prevail;

    (c) agree that the aggregate Issue Price for the Invitation Shares applied for is due and payable to our Company and the Vendors forthwith;

    (d) warrant the truth and accuracy of the information contained, and representations and declarations made, provided in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot any Invitation Shares to you; and

    (e) agree and warrant that if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Vendors, the Joint Lead Managers, and/or the Joint Lead Placement Agents and Joint Lead Underwriters will infringe any such laws as a result of the acceptance of your application.

16. Our acceptance of applications will be conditional upon, *inter alia,* we being satisfied that:–

    (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares (including Vendor Shares) and the New Shares on a ''when issued'' basis on the SGX-ST;

    (b) the Management and Underwriting Agreement and the Placement Agreement referred to on pages 129 to 130 of this Prospectus have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and

    (c) the Authority has not served a stop order which directs that no further shares to which this Prospectus relates be allotted.

17. We will not hold any applications in reserve.

18. We will not allot or allocate Shares on the basis of this Prospectus later than six months after the date of this Prospectus.

19. Additional terms and conditions for applications by way of Application Forms are set out on pages H-5 to H-8 of Appendix H of this Prospectus.

20. Additional terms and conditions for applications by way of Electronic Applications are set out on pages H-8 to H-16 of Appendix H of this Prospectus.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING PRINTED APPLICATION FORMS

You shall make an application by way of Application Forms made on and subject to the terms and conditions of this Prospectus including but not limited to the terms and conditions appearing below as well as those set out under the section on **"TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION"** on pages H-1 to H-5 of Appendix H of this Prospectus, as well as the Memorandum and Articles of Association of our Company.

1. Your application must be made using the **WHITE** Application Forms for Offer Shares and the **BLUE** Application Forms for Placement Shares accompanying and forming part of this Prospectus. We draw your attention to the detailed instructions contained in the respective Application Forms and this Prospectus for the completion of the Application Forms which must be carefully followed. **We reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or to the terms and conditions of this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS.**

3. All spaces in the Application Forms except those under the heading "FOR OFFICIAL USE ONLY" must be completed and the words "NOT APPLICABLE" or "N.A." should be written in any space that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. You must make your application, in the case of individuals, in your full names appearing in your identity cards (if applicants have such identification documents) or in your passports and, in the case of corporations, in your full names as registered with a competent authority. If you are a non-individual completing the Application Form under the hand of an official, you must state the name and capacity in which that official signs. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with the Share Registrar and Share Transfer office. We reserve the right to require you to produce documentary proof of identification for verification purposes.

5. (a) You must complete Sections A and B and sign page 1 of the Application Form.

   (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

   (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

6. You (whether you are an individual and corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted), will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Invitation Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Invitation Shares applied for, in the form of a BANKER'S DRAFT or CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of ''**Unified Share Issue Account**'' crossed ''A/C PAYEE ONLY'', with your name and address written clearly on the reverse side. **We will not accept applications accompanied by ANY OTHER FORM OF PAYMENT.** We will reject remittances bearing ''NOT TRANSFERABLE'' or ''NON TRANSFERABLE'' crossings. **No acknowledgement or receipt will be issued by us or the Joint Lead Managers for applications and application monies received.**

8. Unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of the balloting after the close of the Application List at your own risk. Where your application is accepted in part only, the balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk in the shortest possible time.

9. Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.

10. By completing and delivering the Application Form in accordance with the provisions of this Prospectus, you agree that:–

    (a) in consideration of us having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 17 February 2004 or such other time or date as we may, in consultation with the Joint Lead Managers, decide** and by completing and delivering the Application Form, you agree that:

        (i) your application is irrevocable; and

        (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;

    (b) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

    (c) in respect of the Invitation Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on our behalf;

    (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application; and

(e) in making your application, reliance is placed solely on the information contained in this Prospectus and none of our Company, the Vendors, the Joint Lead Managers, the Joint Lead Underwriters, the Joint Lead Placement Agents or any other person involved in the Invitation shall have any liability for any information not so contained.

Applications for Offer Shares

1. Your applications for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Forms and **WHITE** official envelopes ''A'' and ''B''. **ONLY ONE APPLICATION** should be enclosed in each envelope.

2. You must:–

   (a) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with your remittance in the **WHITE** envelope ''A'' provided;

   (b) in the appropriate spaces on **WHITE** envelope ''A'':–

      (i) write your name and address;

      (ii) state the number of Offer Shares applied for; and

      (iii) affix adequate Singapore postage;

   (c) seal **WHITE** envelope ''A''; and

   (d) write, in the appropriate box provided on the larger **WHITE** envelope ''B'' addressed to **LIM ASSOCIATES (PTE) LTD, 10 COLLYER QUAY #19-08 OCEAN BUILDING, SINGAPORE 049315**, the number of Offer Shares you have applied for; and insert **WHITE** envelope ''A'' into **WHITE** envelope ''B'', seal **WHITE** envelope ''B'' and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** at your own risk to **LIM ASSOCIATES (PTE) LTD, 10 COLLYER QUAY #19-08 OCEAN BUILDING, SINGAPORE 049315,** so as to arrive by **12.00 noon on 17 February 2004 or such other time as we may, in consultation with the Joint Lead Managers, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances are liable to be rejected.

Applications for Placement Shares

1. Your application for Placement Shares MUST be made using the **BLUE** Placement Shares Application Forms. **ONLY ONE APPLICATION** should be enclosed in each envelope.

2. The completed and signed **BLUE** Placement Shares Application Form and your remittance, in accordance with the terms and conditions of this Prospectus, for the full amount payable in respect of the number of Placement Shares applied for, with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **LIM ASSOCIATES (PTE) LTD, 10 COLLYER QUAY #19-08 OCEAN BUILDING, SINGAPORE 049315,** to arrive by **12.00 noon on 17 February 2004 or such other time as we may, in consultation with the Joint Lead Managers, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Alternatively, you may remit your application monies by electronic transfer to the account of The Bank of East Asia, Limited, account number **9008 4298**, in favour of ''Unified Share Issue Account'' for the number of Placement Shares applied for **by 12.00 noon on 17 February 2004 or such other time as we may, in consultation with the Joint Lead Managers, decide.** If you remit your application monies via electronic transfer, you should fax and send a copy of the remittance advice to SBI E2-Capital Pte Ltd at fax number 6227 3936 to arrive by **12.00 noon on 17 February 2004 or such other time as we may, in consultation with the Joint Lead Managers, decide.**

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications), the IB website screens (in the case of IB Applications) of the relevant Participating Banks and the IPO website (in the case of Internet Placement Applications).

Currently, DBS and the UOB group are the only Participating Banks through which an IB Application can be made on the respective IB websites of DBS and the UOB group.

Internet Placement Applications may be made through the IPO website.

For illustration purposes, the procedures for Electronic Applications through ATMs, the IB website of DBS and the IPO website are set out respectively in the ''Steps for ATM Electronic Applications for Offer Shares through ATMs of DBS Bank'', ''Steps for IB Applications through the IB website of DBS Bank'' and the ''Steps for Internet Placement Application for Placement Shares through the IPO website'' (the ''Steps'') appearing on pages H-13 to H-16 of this Prospectus.

The Steps set out the actions that you must take at an ATM, the IB website of DBS or the IPO website to complete an Electronic Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

Any reference to ''you'' in the additional terms and conditions for Electronic Applications and the Steps shall refer to you making an application for:–

(a) Offer Shares through an ATM or the IB website of a relevant Participating Bank; and

(b) Internet Placement Shares through the IPO website.

To make an ATM Electronic Application:–

(a) You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an ATM Electronic Application at the ATMs. An ATM card issued by one Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (''Transaction Record''), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any Application Form.

(b) You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.

To make an IB Application, you must have an existing bank account with and an IB User Identification (''User ID'') and a Personal Identification Number/Password given by the relevant Participating Bank. Upon completion of your IB Application, there will be an on-screen confirmation (''Confirmation Screen'') of the application which you can print out for your record. This printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

To make an Internet Placement Application, you must be registered as a user of the IPO website and have a User Name (''User Name'') and a Password given by the IPO website. Upon completion of your Internet Placement Application, there will be an on-screen confirmation (''Provisional Allocation Screen'') of the application which you can print out for your record. This printed record of the Confirmation Screen is for your retention and is to accompany your payment for the Internet Placement Shares, and should not be submitted with any Application Form. An electronic mail (email) containing the information in the Provisional Allocation Screen will also be sent to your email account registered with the IPO website.

Further, you must ensure, when making an IB Application or Internet Placement Application that:–

(a) you are currently in Singapore at the time of making of such application;

(b) your mailing address for IB with the relevant Participating Bank and the IPO website is in Singapore;

(c) you are not a US person(1) (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended from time to time),

and you will be asked to declare the above accordingly. Otherwise, your application is liable to be rejected.

Note:–

(1) For details, please refer to definition of ''US person'' on the IB websites or the IPO website.

Your Electronic Application shall be made on the terms and subject to the conditions of this Prospectus including but not limited to the terms and conditions appearing below and those set out under the section on ''TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION'' on pages H-1 to H-5 of this Prospectus as well as the Memorandum and Articles of Association of our Company.

1. In connection with your Electronic Application for Invitation Shares, you may be required to confirm statements to the following effect in the course of activating the Electronic Application:–

(a) **that you have received a copy of this Prospectus and has read, understood and agreed to all the terms and conditions of application for Invitation Shares and this Prospectus prior to effecting the Electronic Application and agree to be bound by the same;**

(b) **that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount (the ''Relevant Particulars'') from your account with that Participating Bank to the Share Registrar, the SGX-ST, CDP, SCCS, our Company and the Joint Lead Managers (the ''Relevant Parties''); and**

(c) **that this is your only application and it is made in your own name and at your own risk.**

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the ''Enter'' or ''OK'' or ''Confirm'' or ''Yes'' key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking ''Submit'' or ''Continue'' or ''Yes'' or ''Confirm'' on the IB website screen or IPO website screen (as the case may be). By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1(b) above, your confirmation, by pressing the ''Enter'' or ''OK'' or ''Confirm'' or ''Yes'' key, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act (Chapter 19) of Singapore to the disclosure by that Participating Bank of your Relevant Particulars to the Relevant Parties.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR INVITATION SHARES AS NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS BENEFICIAL OWNER. YOU SHOULD MAKE ONLY ONE ELECTRONIC APPLICATION FOR INVITATION SHARES AND SHOULD NOT MAKE ANY OTHER APPLICATION FOR OFFER SHARES OR PLACEMENT SHARES, WHETHER AT THE ATM OR THE IB WEBSITES OF ANY PARTICIPATING BANK OR ON THE APPLICATION FORMS OR THROUGH THE IPO WEBSITE. IF YOU HAVE MADE AN APPLICATION FOR INVITATION SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR INVITATION SHARES AND *VICE VERSA*.**

3. For an ATM Electronic Application or IB Application, you must have sufficient funds in your bank account with your Participating Bank at the time you make your ATM Electronic Application or IB Application, failing which your ATM Electronic Application or IB Application will not be completed. **Any ATM Electronic Application or IB Application which does not conform strictly to the instructions set out on the screens of the ATM or IB website through which your ATM Electronic Application or IB Application is being made shall be rejected.**

   An applicant who makes an application for Invitation Shares through the IPO website will be advised through the IPO website on the amount payable and the method(s) of payment.

4. You irrevocably agree and undertake to subscribe for and/or purchase and to accept the number of Invitation Shares applied for as stated on the Transaction Record or Confirmation Screen. You also irrevocably agree and undertake to subscribe for and/or purchase and to accept any lesser number of Invitation Shares that may be allotted or allocated to you in respect of your Electronic Application. In the event that we decide to allot or allocate any lesser number of such Invitation Shares or not to allot or allocate any Invitation Shares to you, you agree to accept such decision as final.

   If your Electronic Application is successful, your confirmation (by your action of pressing the ''Enter'' or ''OK'' or ''Confirm'' or ''Yes'' key on the ATM, clicking ''Submit'' or ''Continue'' or ''Yes'' or ''Confirm'' on the IB website screen or IPO website screen) of the number of Invitation Shares applied for shall signify and shall be treated as your acceptance of the number of Invitation Shares that may be allotted to you and your agreement to be bound by the Memorandum and Articles of Association of our Company.

5. **Our Company will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application moneys will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within twenty-four hours after the close of the Application List. **Trading on a "WHEN ISSUED" basis, if applicable, is expected to commence after such refund has been made.**

   Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application moneys, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank or if you have applied for the Internet Placement Shares through the IPO website, by ordinary post or such other means as the IPO website Operator may agree with you, at your own risk, within 14 Market Days after the close of the Application List provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account.

Responsibility for timely refund of application moneys arising from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks or the IPO Website Operator. Therefore, you are strongly advised to consult your Participating Bank or the IPO Website Operator as to the status of your Electronic Application and/or the refund of any moneys to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Invitation Shares allotted to you before trading the Invitation Shares on the SGX-ST. Neither the SGX-ST, the CDP, the SCCS, the Participating Banks, the IPO Website Operator, our Company, the Vendors or the Joint Lead Managers assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

6. If your Electronic Application is made through the ATMs of DBS (including POSBank), OCBC, or the UOB Group, and is unsuccessful, no notification will be sent by such Participating Bank.

If your IB Application made through the IB website of DBS or UOB Group is unsuccessful, no notification will be sent by such Participating Bank.

Any Internet Placement Application made through the IPO website is on a first-come-first-served basis, and is subject to availability at the point of application. If your Internet Placement Application is unsuccessful, an email notification will be sent to the applicant's registered address with the IPO website.

If you make ATM Electronic Applications through the ATMs of the following banks, you may check the results of your ATM Electronic Applications as follows:–

Bank	Telephone	Available at	Operating Hours	Service expected from
DBS Bank	1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS account holders)	Internet Banking www.dbs.com*	24 hours a day	Evening of the balloting day
OCBC	1800 363 3333	ATM	ATM/Phone Banking 24 hours a day	Evening of the balloting day
UOB Group	1800 222 2121	ATM (Other Transactions — ''IPO Enquiry'') http://www.uobgroup.com*	ATM**/Phone Banking 24 hours a day Internet Banking 24 hours a day	Evening of the balloting day

* *If you make your IB Applications through the IB website of DBS or the UOB Group, you may check the result through the same channels listed in the table above in relation to ATM Electronic Applications made at ATMs of DBS or the UOB Group.*

** If you make your Electronic Application through the ATMs or IB website of the UOB Group, you may check the results of your application through UOB Personal IntemetBanking, UOB Group ATMs or UOB PhoneBanking Services.

If you make your Electronic Application through the IPO website, you can check the result of your application through the IPO website. If your application is successful, you will be notified of the results of your application via an email sent to the email address registered with the IPO website.

7. Electronic Applications shall close at 12.00 noon on 17 February 2004 or such other time as our Company may, in consultation with the Joint Lead Managers, decide.

8. You are deemed to have requested and authorised us to:–

   (a) register the Offer Shares or Placement Shares allotted or allocated to you in the name of CDP for deposit into your Securities Account;

   (b) send the relevant Share certificate(s) to CDP;

   (c) (for ATM Applications or IB Applications) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application moneys, should your ATM Electronic Applications or IB Applications be rejected, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours after the close of the Application List;

   (d) (for ATM Electronic Applications or IB Applications) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application moneys, should your ATM Electronic Applications or IB Applications be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within the shortest possible time after the close of the Application List; and

   (e) (for Internet Placement Applications) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) of the full application moneys, should your Internet Placement Application be rejected, is expected to be effected to you by ordinary post at your own risk within 14 days after the close of the Application List).

9. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks or the IPO Website Operator and if, in any such event, our Company, the Vendors, the Joint Lead Managers and/or the relevant Participating Bank or the IPO Website Operator do not receive your Electronic Application, or data relating to your Electronic Application is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, the Vendors, the Joint Lead Managers and/or the relevant Participating Bank or the IPO Website Operator for Invitation Shares applied for or for any compensation, loss or damage.

10. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. We will reject any application by any person acting as nominee.

11. All your particulars in the records of your Participating Bank or the IPO Website Operator at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank or the IPO Website Operator and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you shall promptly notify your Participating Bank or the IPO Website Operator.

12. **You should ensure that your personal particulars as recorded by both CDP, the relevant Participating Bank or the IPO Website Operator are correct and identical, otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.

13. By making and completing an Electronic Application, you are deemed to have agreed that:–

    (a) in consideration of us making available the Electronic Application facility, through the Participating Banks or the IPO Website Operator acting as agents of our Company, at the ATMs, the IB websites and the IPO website:–

        (i) your Electronic Application is irrevocable; and

        (ii) your Electronic Application, the acceptance of our Company, the Vendors and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

    (b) none of our Company, the Vendors, the Joint Lead Managers, the Participating Banks or the IPO Website Operator shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;

    (c) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and the Vendors and not otherwise, notwithstanding any payment received by or on behalf of our Company;

    (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application; and

    (e) reliance is placed solely on information contained in this Prospectus and that none of our Company, the Vendors, the Joint Lead Managers, the Joint Lead Placement Agents and Joint Lead Underwriters nor any other person involved in the Invitation shall have any liability for any information not so contained.

Steps for ATM Electronic Applications for Offer Shares through ATMs of DBS Bank

Instructions for ATM Electronic Applications will appear on the ATM screens of the Participating Bank. For illustration purposes, the steps for making an ATM Electronic Application through a DBS Bank or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form *("A/c",* "amt", "appln", "&", "I/C", "SGX", "No." and "Max" refer to "Account", "amount", "application", "and", "NRIC", "SGX-ST", "Number" and "Maximum", respectively. Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than DBS Bank (including POSB)) may differ slightly from those represented below.

Step	1	:	Insert your personal DBS Bank or POSB ATM Card.
	2	:	Enter your Personal Identification Number.
	3	:	Select "CASHCARD & MORE SERVICES".
	4	:	Select "ESA-IPO SHARE/INVESTMENTS".
	5	:	Select "ELECTRONIC SECURITY APPLN (IPOS/BONDS/ST-NOTES)" to "UNIFIED".
	6	:	Read and understand the following statements which will appear on the screen:– THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT) WHICH CAN BE OBTAINED FROM ANY DBS/POSB BRANCH IN SINGAPORE AND, WHERE APPLICABLE, THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.

ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE. A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.

Press the ''Enter'' key to confirm that you have read and understood.

7 : Press the ''ENTER'' key to acknowledge:–

You have read, understood and agreed to all terms of the application and Prospectus Document or Profile Statement, and if applicable, the Replacement or Supplementary Prospectus/Document or Profile Statement.

You consent to disclose your name, NRIC/Passport No., address, nationality, CDP Securities A/c No., CPF Investment A/c No. and securities application amount from your Bank Account(s) to share registrars, SGX, SCCS, CDP, CPF and the issuer/vendor(s).

For FIXED and MAX price security application, this is your only application and it is made in your own name and at your own risk.

The maximum price for each Share is payable in full on application and subject to refund if the final price is lower.

For TENDER securities applications, this is your only application at the selected tender price and it is made in your own name and at your own risk.

You are not a US Person as referred to in the Prospectus/Document or Profile Statement and if applicable, the Replacement or Supplementary Prospectus Document or Profile Statement.

8 : Select your nationality.

9 : Select the DBS Bank account (Autosave/Current/Savings/Savings Plus) or the POSB account (current/savings) from which to debit your application moneys.

10 : Enter the number of securities you wish to apply for using cash.

11 : Enter your own 12-digit CDP Securities Account number. (Note: This step will be omitted automatically if your CDP Securities Account number has already been stored in DBS Bank's records).

12 : Check the details of your securities application, your NRIC or passport number and CDP Securities Account number and number of securities on the screen and press the ''ENTER'' key to confirm your application.

13 : Remove the Transaction Record for your reference and retention only.

APPENDIX H

STEPS FOR AN IB APPLICATION THROUGH THE IB WEBSITE OF DBS BANK

For illustrative purposes, the steps for making an IB Application through the DBS Bank IB website are shown below. Certain words appearing on the screen are in abbreviated form (''NC'', ''amt'', ''&'', ''I/C'', ''SGX'' and ''No.'' refer to ''Account'', ''Amount'', ''and'', ''NRIC'', ''SGX-ST'', and ''Number'' respectively).

Step 1 : Click on to DBS Bank website (www.dbs.com).

2 : Login to Internet Banking.

3 : Enter your User ID and PIN.

4 : Select ''Electronic Security Application (ESA)''.

5 : Click ''Yes'' to proceed and to warrant that you have observed and complied with all applicable laws and regulations.

6 : Select your country of residence.

7 : Click on ''UNIFIED'' and click the ''Submit'' button.

8 : Click ''Confirm'' to confirm:–

(a) **You have read, understood and agreed to all terms of application and the Prospectus or Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Document or Profile Statement.**

(b) **You consent to disclose your name, I/C or Passport No., address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable) and securities application amount from your DBS/POSBank Account(s) to registrars of securities, SGX, SCCS, CDP, CPF Board and issuer/vendor(s).**

(c) **You are not a US Person (as such term is defined in Regulation S under the United States Securities Act of 1993, as amended).**

(d) **This application is made in your name and at your own risk.**

(e) **For FIXED/MAX price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.**

9 : Fill in details for share application and click ''Submit''.

10 : Check the details of your share application, your NRIC or passport number and click ''OK'' to confirm your application.

11 : Print Confirmation Screen (optional) for your reference & retention only.

APPENDIX H

STEPS FOR AN INTERNET PLACEMENT APPLICATION THROUGH THE IPO WEBSITE

For illustrative purposes, the steps for making an Internet Placement Application through the IPO website is shown below. Certain words appearing on the screen are in abbreviated form (''NC'', ''&'', ''I/C'' and ''No.'' refer to ''Account'', ''NRIC'' and ''Number'' respectively).

Step 1 : Click on to the IPO website (www.ePublicOffer.com).

2 : Login to the IPO website by entering your User Name and Password.

3 : Select the counter ''UNIFIED'' from the list of current counters offered by clicking ''APPLY NOW''.

4 : Click ''I Agree'' to proceed and to warrant that you have observed and complied with all applicable laws and regulations and agree to the terms and conditions stated on the IPO website.

5 : View and/or download a copy of the Prospectus.

6 : Click the check box provided next to the following statements to confirm your declaration:–

(1) I have read, understood & agreed to these terms and conditions, and the Prospectus/Document or Profile Statement and if applicable, the Replacement or Supplementary Prospectus/Document or Profile Statement in relation to the IPO Shares;

(2) I consent to the disclosure of my name, I/C or passport number, address, nationality, CDP Securities Account number, and securities application amount to share registrars of the securities, the SGX-ST, SCCS, CDP, the issuer/vendor(s) of the IPO Shares;

(3) I am currently resident in Singapore;

(4) I am not a US Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) and not currently resident in United States;

(5) I understand that the IPO shares have not been and will not be registered under the United States securities law and, subject to certain exception, may not be offered or sold within the United States, that there will be no public offer of the IPO shares in the United States, and any failure to comply with this restriction may constitute a violation of United States securities laws;

(6) This application for the IPO shares is made in my own name and at my own risk;

(7) I am not an associate (as defined in the Listing Manual of the SGX-ST) or a director or substantial shareholder (as defined in the Companies Act (Chapter 50) of Singapore) of the Issuer.

7 : Click ''Confirm'' when you have completed the above steps.

8 : Check details of your application, (including information on your name, your CDP number, your NRIC number, your email address, the amount payable) on the screen and click ''CONFIRM'' to confirm your application.

9 : Print Provisional Allocation Screen and proceed to make payment as described in the Provisional Allocation Screen.

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